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INTER-ASIAN AFFAIRS

DACCA, DELHI HOLD TALKS ON WORLD, BILATERAL ISSUES

Dacca THE BANGLADESH OBSERVER in English 18 Jan 81 pp 1, 16

[Text] The Foreign Secretaries of Bangladesh and India on Saturday explained their respective country's views on various regional and international issues which would come up for discussion at the forthcoming nonaligned Foreign Ministers' Conference in New Delhi, reports BSS.

Talking to newsmen at the end of the meeting both Mr S.A.M.S. Kibria Bangladesh Foreign Secretary and Mr Eric Gonsalves, Indian External Affairs Secretary described their discussions as very useful for the Non-aligned moot.

They also reviewed some of the bilateral issues they said.

The main focus, however, was on the Non-aligned Conference Mr Kibria said. The talks, he added, gave the two Non-aligned countries a very valuable opportunity to exchange views on their respective position.

This is a continuous process which Mr Kibria said would continue until as well as at the Conference.

Mr Gonsalves said that the Non-aligned Conference was taking place at a time when the international political and economic situation "around us" look "very dangerous."

He said that in that context "we feel that the Non-aligned Conference has a constructive role to play."

To that end it is necessary to depend on the knowledge and wisdom of member countries, Mr Gonsalves said.

Mr Gonsalves told a questioner that the Afghan and Kampuchea questions the South Africa situation and all the problems of global dimension including the arms race, and the debts and difficulties of the developing countries were discussed.

Mr Kibria added that the economic problems of the developing countries in their entirety were reviewed.

Asked whether the two countries could reach a consensus on the burning problems of Afghanistan and Kampuchea Mr Gonsalves said 'the national positions of the two countries are very well known to you.'

He added "we will try to have a very constructive and non partisan approach on the questions as there are a very large number of countries in the Non-aligned Movement.

Mr Gonsalves said that the talks will be very useful for the conference.

Mr Kibria said "we also had discussions on some of the bilateral matters" and reviewed the progress achieved on some of the issues in the line of agreement between the Foreign Ministers of the two countries at their last August meeting in Dacca.

Mr Kibria said that the talks reflected good neighbourly relations that exist between the two countries.

The Bangladesh Foreign Secretary said that the two sides also reviewed "the current issues" and the steps to be taken on the basis of the two Foreign Ministers' meeting.

The bilateral discussions on the problems will continue Mr Kibria said adding that he was happy with the talks.

CSO: 4220

ASEAN POWER GRID A REALITY

Islamabad THE MUSLIM in English 1 Feb 81 p 5

[Article by Dilip Mukerjee]

[Text] A 3,000-KILOMETRE (1,875-mile) power grid connecting all five ASEAN countries may seem to be a pipe dream today because of the large stretches of sea lying in between. Yet engineers and technologists have no choice but to assess whether this can be accomplished stage by state by the end of this century.

The energy shortages looming ahead of all five, including oil-producing Malaysia and Indonesia, make it necessary to focus on a renewable resource like hydropower no matter how distant dam sites may be from the major consumption centres.

GEOGRAPHIC QUIRK

By a quirk of geography, the two largest sources of hydropower in the ASEAN region are in Sarawak, the east Malaysian state and the Indonesian island of Sumatra. Both are far from the industrial areas within these countries or elsewhere in ASEAN. If the potential energy is to serve a larger purpose than the limited needs of the areas in the vicinity of dam sites, it will have to be transmitted over long distances by overhead and submarine cables.

This is the crucial constraint but technologists argue that it can be overcome—as it has been by Denmark and Norway across the Skagerrak, as the part of the North Sea dividing them is called or between the Japanese islands of Hokkaido and Honshu. The maritime distances in the two cases—127 km (80 miles) or 48 km (30 miles) are however much smaller than the 600 km (375

miles) between the nearest points in Sarawak and Peninsular Malaysia. This makes the technical challenge much greater because loss of power increases with the distance over which it is transmitted.

There are some ways open for reducing this loss by opting for transmission of power in its direct current (DC) form at high voltages. Of course, DC will have to be converted into an alternating current (AC) supply before transmission and again back to DC. This means an additional cost—but at about one-sixth of the initial capital outlay envisaged in the Malaysian case it is not prohibitive.

Moreover, the technical characteristics of DC power make for a low investment on the actual transmission line. If power is being carried over a long enough distance, this factor makes up for conversion costs. This has been shown by the adoption of DC for a project now being built in Zaire, the west African state, to carry 560 MW of hydropower from a dam site to copper and cobalt mines 1700 km (1,062 miles) away.

After having made a preliminary assessment, Malaysia has already commissioned a feasibility study by an international consortium for utilising Sarawak's power potential even though it is recognised that the earliest it can be tapped is 1990, if not later. Long lead times are customary in hydropower because dams take years to build. A project in Sarawak may take even longer because of the remoteness of dam sites and the even more formidable problem of creating a transmission network on—and off-shore.

The imperatives which oblige Malaysia to evaluate this difficult and costly option are clear. As of now, almost all of the country's 1275 megawatts of generating cap-

city is based on fuel oil—a dangerous dependence considering its own oil reserves are small and supplies from outside will become increasingly uncertain and expensive year by year.

There are plans to utilise natural gas which is relatively more abundant but that too is a finite resource, unlike renewable hydropower. In any case, the use of gas to generate steam for a power turbine represents an inefficient use of resources because utilisation as a chemical feedstock or for smelting ores offers much better returns.

Peninsular Malaysia itself has a number of hydropower sites, and plans are in hand to bring them into use. But this will not suffice to meet the rapidly rising demand for power which is expected to treble by 1990 and rise eight-fold by the year 2000. This is what makes bulk power from Sarawak, and indeed Sumatra, attractive.

As it happens, Malaysia can expect to persuade its neighbour, Singapore, to be interested in the development of Sarawak power. Singapore, a city state with no fuel resources, has had to rely almost wholly on oil-based thermal power plants to meet its power needs which increased ten-fold between 1969 and 1979. Given its record of sustained economic growth at 8 per cent or more a year, its requirements are expected to be two and a half times larger by 1990 and six times larger by the year 2000.

The Malaysian and Singapore power grids are already linked in a small way since 1978. This can be readily expanded in the context of Sarawak development because the point at which the submarine cable will terminate at Peninsular Malaysia's southern end will be just a few score kilometres from Singapore.

There are other options too. Thailand is in the process of inter-connecting its system with its southern neighbour, Malaysia. Four-fifths of power generated in the country depends on fossil fuels, and the ultimate potential of its hydro resources is not large, making a trade-off between the two countries environmentally possible.

Looking further afield, Philippines could be interested in power from Sarawak which would in any case be carried overland to Sabah, the other East Malaysian state. From Sabah to southern Philippines is a distance of only 400 km (250 miles), or rather less than from Sarawak to Peninsular Malaysia. This option may well be considered by an energy-hungry neighbour, depending on the cost of delivered power and its reliability.

INDONESIA

Indonesia should not be left out of the picture either. Sumatra is rich not only in hydro resources but also in coal, and its energy potential is highlighted by the siting of

a U.S. \$2 billion aluminium smelter at Asahan to the island's north based on cheap power. Since the central areas of the island are only 30 km (20 miles) across the Straits of Malacca from Singapore or Peninsular Malaysia, interconnection via submarine cable is commercially feasible, explaining the Indonesian interest in developing Sumatra as a regional energy centre linked by a transmission network to all the ASEAN five.

It is pointless at this early stage to speculate on the respective roles of Sarawak and Sumatra in meeting ASEAN's future energy needs. It is clear, however, that very large additions to generating capacity of all five countries will be needed over the next 10 years—something of the order of 30,000 MW, according to one estimate.

All potential sources of renewable energy will certainly have to be tapped in the long run, with phasing decided perhaps by the speed and vigour with which each country pursues feasible projects. This will depend a good deal on the ability of each to mobilise investment and skilled manpower,

a consideration possibly favouring Sarawak because of Malaysia's growing pile of surplus petrodollars.

That apart, the fact remains that Sarawak has an exceedingly large potential at dam sites concentrated within a small area. The most promising among these are Baloi and Prangga located within 250-350 m (150-220 miles) from Kuching, the state capital. These two alone are estimated to yield 4,000 MW with Baloi thought to be the biggest single hydropower resource in the whole of Southeast Asia.

These are only two of some 150 dam sites in Sarawak identified in preliminary studies which suggest that the state's theoretical potential may be as much as 80,000 MW, compared with 50,000 MW for all Indonesian islands taken together. Since Sarawak's own needs, even on the most generous assumptions, are unlikely to exceed 1,000 MW by the year 2000, the ultimate quantum of exportable power is simply mind-boggling.—*The Maritime Department Services*.

TRADE TIES WITH INDONESIA IMPROVED

Islamabad THE MUSLIM in English 4 Feb 81 p 5

(Article by Sumanta Banerjee)

[Text] ALTHOUGH India's recognition of the Vietnam-backed Heng Samrin regime of Kampuchea has been a big disappointment for the Association of Southeast Asian Nations, it is not preventing India from improving trade and economic relations with ASEAN members.

The visit of Indonesian President Suharto to New Delhi in early December was an occasion for reviewing trade relations between the two countries and signing a new set of agreements for joint venture projects.

During official talks, Indonesia cleared 11 joint venture projects to be established by Indian entrepreneurs in Indonesia. These ventures will be in areas ranging from textiles and pharmaceuticals to iron and steel.

India already has joint ventures and projects totalling U.S. \$ 200 million in Indonesia. In all, there are over 24 ventures set up by Indians in Indonesia mainly dealing with textiles. There are also four units of metal fabricating industry.

It seems that after Malaysia, Indonesia will soon become the home of the largest number of Indian enterprises. Indian ventures in Indonesia employ about 7,500 local workers. Compared to the Japanese joint ventures in Indonesia (200-odd such ventures employing only 45,000 Indonesians), the rate of absorption of Indonesian workers by Indian enterprises seems to be quite high.

One of the highlights of the Indo-Indonesian economic relations in the near future is the proposed

setting up of a thermal power plant in Indonesia in collaboration with the Bharat Heavy Electricals—India's public sector electrical machinery manufacturing concern. Another Indian Government undertaking, Metallurgical and Engineering Consultants (India) Ltd. has submitted a proposal to Jakarta for setting up a steel service centre in Indonesia.

India is also likely to supply iron pellets to Indonesia for the manufacture of steel at a plant to be set up with Indian technical assistance. Another Indo-Indonesian joint venture is the proposed cement plant with a 5,000 tons per day capacity.

Meanwhile, the present cement factory at Pekalongan in Indonesia is likely to be expanded with the help of the Project Equipment Corporation, another Indian Government enterprise. The National Small Industries Corporation of India has also offered a proposal to Jakarta for setting up 70 small scale industries. Among other joint ventures are the proposals for establishing a paper factory and a sugar plant.

While the prospect of joint ventures seems to be quite promising, trade relations between India and Indonesia are highly skewed, the balance being more in favour of India than Indonesia. India is exporting more to Indonesia every year while the latter's exports to India are actually dwindling in value.

India's exports to Indonesia include a large number of items such as rice, sugar and honey, iron and steel, machinery, minerals, textiles, oil seeds and other commodities. Indian imports from Indonesia, on the other hand, are very few, like spices, vegetable oil, chemicals and related products.

The value of India's total imports from Indonesia has gone down from about \$ 32.5 million in 1977-78 to a little over \$ 16 million. During the same period, India has been able to push up its exports to Indonesia from \$ 38 million to \$ 115 million.

During the recent talks in New Delhi, officials of both countries explored possibilities of turning the trade balance in Indonesia's favour.

But thanks to the oil crisis generated in the wake of the Iran-Iraq War, Indonesia can now have an edge over India in trade relations. New Delhi has approached Indonesia to help India cover the shortfall in oil imports resulting from the war. Jakarta, which accounts for about 3 per cent of the total world output, has agreed to supply crude to India.

With an annual production of about 17 million tons, India needs to import about 15 million tons more to meet its requirements. India has also approached Indonesia to use its influence to award the OPEC categorisation of India as a recipient country.

Under existing regulations, India's population (654 million) and per capita income (less than \$ 100 at 1970-71 prices) are not considered qualifications for receiving short, long and concessionary loans from OPEC.

The latest spurt in Indo-Indonesian relations is not new. Historically they go back to the 1 AD when Indian traders and religious teachers visited Java and Bali to trade in gold, sandalwood and spices and bring their religions—Buddhism and Hinduism—to the country. In later days, India lent support to the Indonesian struggle for independence and to defend it.

To quote from President Sukarno's speech in New Delhi: "In the minds of Indonesian people is embedded gratitude for the sincere support and solidarity offered by India to us during the difficult period of our struggle to defend national independence in 1945."

In the first half of the 1960s, relations between the two countries reached a low ebb. At that time, then Indonesian President Sukarno supported China and Pakistan in their border wars with India.

The trend was, however, reversed with a change of government in Indonesia in 1966. Indonesia's critical economic situation at that time provided an opportunity for India to renew the old friendship. India stepped in with an offer of loan amounting to about \$ 15 million for the purchase of Indian goods - it might be required by Indonesia.

In the new context of resurgence in the role of non-aligned nations in the world today, the increasing

range in Indo-Indonesian relations is reminiscent to many Indian political observers of the Bandung days of 1955 when both India and Indonesia played an important role in bringing together the non-aligned nations and asserting their voice in international policies. During their talks in Delhi, President Sukarno and Mrs. Indira Gandhi agreed to work in closer cooperation during the non-aligned summit to be held in Delhi in February 1981. - The Muslim-Depth News Service.

C50: 4220

BANGLADESH

DEMOCRATIC LEAGUE CHIEF ASSAILED 'ONE-MAN RULE'

Dacca THE BANGLADESH TIMES in English 17 Jan 81 p 12

[Text] Khandaker Mushtaque Ahmed, President of the Democratic League on Friday called for "establishing a democratic system replacing one man rule to save the nation."

He said that only through a democratic system the nation could be saved from what he said internal anarchy and foreign aggression.

The DL chief was speaking at a function to welcome the leaders and workers of Ganob Muslim League who formally merged themselves with his party on Friday.

Khandaker Mushtaque Ahmed observed that the nation was passing through a critical moment and reiterated his call for unity of the like-minded people who upholds democracy to attain rights of the people.

He said that during the last flood he had the "good fortune to work with many under a limited programme. Although it is unfortunate but true that the expectations of the people have been frustrated repeatedly at the peculiar course of power politics."

Khandaker Mushtaque Ahmed criticised and said handing over of responsibility of trial of the "thieves and dacoits" to the Gram Sarkars was contrary to the rule of law.

He termed the present foreign policy as subversive for which "foreign flags have been hoisted over our territory and we have been cut off from the Muslim world and the Third World."

Earlier Mr Shamsul Nuda, President of the Ganob Muslim League announced the merger of his party with the Democratic League. Shah Moazzem Hossain, General Secretary of DI, also spoke on the occasion.

CSO: 4220

BANGLADESH

COMMERCE MINISTER DESCRIBES EXPORT PROGRAM

Dacca THE BANGLADESH TIMES in English 18 Jan 81 pp 1, 16

(Text) The Government has taken up a massive programme to expand export market of Bangladesh with a view to achieving the target of earning Taka 5000 crore as export earnings per annum by the end of the Second Five-Year Plan.

In an interview with THE BANGLADESH OBSERVER State Minister for Commerce and Foreign Trade Chowdhury Tanvir Ahmed Siddiky outlined the programmes taken up by the Government to boost the exports. He said the Export Promotion Bureau of the Government had been analysing the export market of Bangladesh products from different angles and was also taking steps to encourage members of the public in the export trade.

He said that besides primary goods, the Government was giving emphasis on the export of manufactured goods. He hoped that by the end of the Second Five Year Plan period the country would make considerable progress in its export trade and would be able to replace the primary goods by manufactured ones in the foreign market. Stressing the importance of exporting now traditional items in larger volumes, Chowdhury Tanvir Ahmed Siddiky said that without diversification in exports, it would not be possible for the country to increase its foreign exchange earning from the foreign trade sector.

Listing the Government efforts, Chowdhury Tanvir Ahmed Siddiky said that the Government had been encouraging the private sector in exports. He said by organizing themselves the private sector traders should set up export houses. He assured necessary assistance to the private sector in this direction.

Speaking on the planned programmes, he said that the Government had plans to identify some areas where the farmers would be organised on cooperative basis to grow vegetables fruits, spices and export quality rice. The farmers of these areas would be given insurance cover of their products and would be supplied quality seeds and be ensured better price of their products. The sales contract for the exportable vegetables, fruits and spices would be made by the Trading Corporation of Bangladesh (TCB). He noted with pleasure that a private farm in Jessore had already set up such an agricultural farm for the production of export oriented vegetables. He said that Bangladesh vegetables had a bright market abroad specially in the Gulf region and the Middle East.

Reviewing the export performance, the State Minister for Trade and Commerce said that the Government last year (79-80) was able to exceed the target of exports. The export target of the country last year was Taka 1100 crores and it earned Taka 1136 crores from the exports. The export target of the current year, he said had been fixed at Taka 1500 crores. He hoped that the export trends till now had indicated that the Government would be able to reach the target.

Speaking on the export promotion activities of the Government specially in abroad, Chowdhury Tanvir Ahmed Siddiky said that Bangladesh had participated in at least 15 industrial fairs abroad in 1980-81 where Bangladesh exportables were displayed. He also said that the Government had also organised single country exhibition in two countries. The single country exhibit will be organised in Dubai in April this year.

Giving emphasis on manufactured goods in the list of the Bangladesh exports, The State Minister for Commerce said that the Government had been encouraging export oriented industries in the country to increase the volume of manufactured goods. These industries would be mostly light engineering products.

Elaborating the Government efforts, he said that Bangladesh had Trade Commission offices in 25 countries and besides, the Bangladesh exportables are on display in all the Bangladesh Embassies abroad.

The Dacca Export Fair which is being inaugurated today (Sunday) at Shar-e-Bangla Nagar would be the exposures of all the exportable of the country.

CSO: 4220

BANGLADESH

UNCTAD SECRETARY GENERAL VISITS BANGLADESH

Talks With Finance Minister

Dacca THE BANGLADESH OBSERVER in English 17 Jan 81 p 1

[Text] The visiting UNCTAD Secretary General, Mr Gamani Corea said in Dacca on Friday that unity and strong organisation of developing countries would be most vital and crucial factors to bring in success in the international negotiations for establishment of new international economic order reports BSS.

Mr Corea in his talks on "New International Economic Order (NIEO)" at the Institute of Law and International Affairs in the evening said that they must organise themselves, reconcile differences, strengthen their muscle, demonstrate expertise and commit resources to change the "status quo" and achieve NIEO.

The talks which was followed by a question answer session covered developments under the aegis of UNCTAD towards the NIEO following the fourth and fifth UNCTAD conferences in Nairobi and Manila respectively. Broad issues discussed were integrated commodities programme, individual commodities agreements fiscal and monetary situation, world trade climate, and prospects of searching a new global rounds of negotiations and general outlook for 1980's.

Against the backdrop of failures or slow progress of negotiations since the call for NIEO adopted by United Nations 11th Special General Assembly in 1961, the UNCTAD chief warned that launching of new global round of negotiations should not stall the ongoing negotiations on various issues. Future global negotiations should be comprehensive and bring in a consensus that would provide foundation for formulation of "an international development strategy" for the 1980's he observed.

Despite many setbacks and problems, Mr Corea said that there were successes in establishing common fund for integrated programme on commodities, conclusion of commodities agreements on rubber cocoa etc. and writing off of external debts of developing countries, in the last decade.

In his view, Mr Corea said area of world trade would assume strategic importance in view of protectionism and restrictionism in the traditional market countries. We cannot take it for granted that the free and nondiscriminatory system would continue to exist spontaneously, he said adding that this problem would command much attention in efforts towards realisation of NIEO.

On commodities, he said, activities should go beyond prices stabilisation and include areas such as marketing, transportation and research and development aspects.

In reply to a question Mr Corea favoured commodity arrangements on multilateral basis between producers and consumers within an international context compared to developing OPEC Type organisations, which has a relative advantage of being non-renewable resources. He said commodity agreement was a historical need and hold out the best promise.

On the question of transfer of resources from developed countries to the developing countries Mr Gamani Corea said that the [word illegible] crisis was very severe due to very big balance of payments gap that needs financial accommodation but, he said, basic solution could not be done by aid or loans although there is need for transfer of resources now.

Mr Corea said that he believes that many dimensions of the energy crisis was due to the weakness in the international monetary system and its inadequacies like inflation, depreciation of currency rates etc. He said that the inequitous monetary system has to be replaced for correcting inadequacies.

On the expectations from the forthcoming United Nations conference on Least Developed Countries to be held in Paris in September next Mr Corea expressed the hope that it would be a successful event. He said country-wise program would be presented to the prospective donor countries in advance so that they could prepare for the conference.

He also appreciated the role of Bangladesh in UNCTAD forums.

Earlier Mr Justice KMA Munim Chairman of the Institute welcomed the UNCTAD chief and said that the Institute was coordinating a working group for study of legal aspects of NIEO for the Asian group in group of 77.

17 January Speech, Other Activities

Dacca THE BANGLADESH TIMES in English 17 Jan 81 pp 1, 12

[Text] Dr Gamani Corea, the visiting Secretary General of the United Nations Conference on Trade and Development (UNCTAD), on Friday called upon the developing countries to unite to gain in strength and muscles for effective negotiations for a new international economic order.

He was delivering a talk at the Institute of Law and International Affairs, Mr Justice F.K.M.A. Munim, Chairman of the Institute, was in the chair.

The UNCTAD Secretary General stressed the need for greater regional cooperation among the developing countries themselves.

Mr Corea said that it was encouraging to note that regional cooperation among the developing countries had been increasing in different parts of the world.

He, however, regretted that the South Asian region had not seen that measure of regional cooperation as yet.

Regional Summit

Mr Gamani Corea said that he was "enormously encouraged" by Bangladesh Government's proposal for a regional summit with a view to promoting regional cooperation among South Asian countries. He attached the "greatest importance" to this proposed summit because the developing countries needed to demonstrate their ability to cooperate with each other and build-up a collective self-reliance in the interest of successful negotiations with the developed countries.

Mr Corea pointed out that although there was no reason for being pessimistic about the outcome of the negotiations, the developing countries ought to really "reach out for it." What they needed most for achieving the desired new international economic order was "organisation." The UNCTAD Secretary General outlined the outcomes of the past UNCTADs held at Nairobi and Manila as well as the various regional meetings of the developing countries. He particularly praised Bangladesh for taking a leading part in promoting the cause of the least developed countries.

Economic Order

He said that there were four "areas of issues" concerning the new international economic order, namely: (a) area of commodities; (b) area of world trade; (c) the international monetary system and (d) cooperation among developing countries themselves. He said that activities in all these areas had started and that these needed to be kept up.

The UNCTAD Secretary General pointed out that the global negotiation for a new international economic order was neither likely to be short, nor to produce a new order itself. It only provided a launching pad for a long process to get started, to promote greater international understanding and to give the countries of north and south a reorientation.

He pointed out that as a group the developing countries need not feel helpless, because they had the surplus finance in the oil exporting countries, and most of the key raw materials. Apart from these, the developing countries as a group up had a sizeable market in the developed world. [as published]

18 January Activities

Dacca THE BANGLADESH OBSERVER in English 18 Jan 81 p 1

[Text] The visiting Secretary-General of the UNCTAD, Mr Gamani Corea, on Saturday, discussed with Planning Minister Dr Fashuddin Mahtab the new world economic order including commodity, prices, trade and monetary system reports BSS.

During the hour-long meeting they discussed the strategy for North-South dialogue and regional cooperation among the least developed countries. The development efforts and planned strategy of Bangladesh also featured in the deliberations. [as published]

They also discussed the substantial new programme of action for 1980s for the least developing countries which Bangladesh had already submitted to the UNCTAD's own country programme, which will be mooted in the special UN conference in September this year.

Mr Corea also called on Deputy Prime Minister in charge of the Ministry of Industry, Mr Jamaluddin Ahmad at his office and discussed matters of mutual interest.

The discussions covered promotion in trade among developing countries and removal of existing imbalance in international trade.

During the meeting Mr Corea was accompanied by his Special Assistant, Mr K. Khaw.

Mr Gamani Corea also called on Jute Minister Mr Habibullah Khan at his office chamber on Saturday morning.

The discussed matters relating to the formation of the International Jute Organisation for which a UN conference on jute under the auspices of UNCTAD is now taking place in Geneva.

Matters relating to tariff and freights of jute and jute goods also came up for discussion.

The Secretary-General assured the Minister of continued support by UNCTAD for jute.

Our Staff Correspondent adds: Mr Gamani Corea paid a visit to the industrial exhibition now going on at Sher-e-Gangla Nagar on Saturday. He was greatly impressed to see the evidence of progress in the field of industrialisation in Bangladesh says a Press release of the Exhibition Committee on Saturday.

CSO: 4220

UNCTAD SECRETARY GENERAL TALKS TO DACCA NEWSMEN

Dacca THE BANGLADESH OBSERVER in English 19 Jan 81 pp 1, 12

[Text] Mr. Gamani Corea, Secretary-General of the United Nations Conference on Trade and Development (UNCTAD), observed in Dacca on Sunday that problems of the developing nations had already taken the shape of a deep malaise and these were no more a mere short-term crisis. He stressed the need for changes in the global economic order with a view to finding a solution to the problems of the developing countries.

Addressing a Press conference at the state guest house prior to his departure at the close of a four-day visit of the country, the UNCTAD Secretary-General appreciated the role of Bangladesh for taking an active part in the negotiations at the UNCTAD for the creation of a Common Fund for the commodities and for the solution to the mounting debt burden of the developing countries. While stating that the growth rate of the developing countries lagged behind that of the developed ones in the 70s, he felt that the negotiations between the developed countries and the developing nations had now entered a new phase. He noted that supplementary measures were necessary to overcome the problems of trade and development facing the developing-economies and to stabilise their commodity prices.

He pointed out that some of the developing countries such as Bangladesh and Sri Lanka suffered seriously because of the prevailing problems. He stated that the developing countries could get the institutional support to improve their balance of payments if the agreements on the commodities could be reached. So far an agreement could be reached on only six commodities out of the needed integrated programme for 18 commodities.

Mentioning about the case of jute, the UNCTAD Secretary-General said that the negotiations for an agreement on jute had progressed "considerably" and an initial agreement had already been reached. The final agreement, he hoped, will come in due course. Replying to a question, he felt that an international organisation on jute could be useful although it would be difficult to stabilise the jute price because of pressure of synthetics.

Mr. Corea said that the Common Fund to be created for the integrated commodities programme would operate like a bank providing a "safety net" to stabilise the prices of commodities by extending support to a commodity when its price fell down through the mechanism of marketing intervention. He said that of the two account fund, the first window with a capital of 400 million dollars had been set up which would go

into the market to raise five to six million dollars if there were commodity agreements. The Fund will operate through each 'commodity organisation' to be brought about through separate agreement, he added. The Fund will not be given to any particular country but will be lent to the organisation which will operate in the market to help the commodity he further added.

The UNSTAD Secretary General said that the second account would seek to develop commodities by providing aid on commodity basis instead of country-to-country one. [as published] The finances involved will be meant for improvement of productivity and marketing through research, he noted.

He pointed out that the code of conduct for transfer of technology to the developing countries would be completed in April. He observed that the developing countries had so long been dependent on the transnational companies for transfer of technology and found difficulties at most of the times in securing the needed technology because of their limited bargaining capacity. [as published]

Mr. Corea said that the developing and the less developed countries needed the transfer of resources. He stated that the United Nations Conference for transfer of resources for the least developed countries would be held in Paris in September next.

While pointing out that the rules & principles to regulate the business practices were completed last year, he hoped that all these would largely strengthen the position of the developing countries.

He told a questioner that the delay in concluding the commodity agreement on jute was due to the long drawn process involved in the negotiation between the producing and the consuming countries. [as published] Lack of much interest on the part of the consuming countries as much as the disorganisation among the producing countries had been responsible for this, he felt.

The UNCTAD Secretary-General described his discussions with the Bangladesh leaders as "very useful."

CSO: 4220

BANGLADESH

SRI LANKA PARLIAMENT SPEAKER LEAVES FOR HOME

Dacca THE BANGLADESH TIMES in English 18 Jan 81 p 1

[Text] Speaker of Sri Lankan Parliament Alhaj Mohammad Abul Bakeer Markar left Dacca on Saturday morning for home concluding his five day visit to Bangladesh, reports BSS.

The visit, Mr Markar told reporters at the airport, would consolidate and strengthen the bonds of existing cordial relations between the two countries.

The Sri Lankan Speaker expressed his deep gratitude for the warm hospitality he was accorded during his stay and said that he was impressed at the speedy development made by Bangladesh during the last few years in economic field particularly in the communication sector.

Mr Markar stressed the need for fostering the relationship between Bangladesh and Sri Lanka specially in the cultural aviation and other fields. He suggested that direct air flights between Dacca and Colombo should be opened to further develop the relationship between the two countries.

Giving his impression on the visit, Mr Markar said that he was happy to see the Buddhist monuments well maintained in Bangladesh by the government. He appreciated new Parliament building at Sher-e-Bangla Nagar and said it would be a "real pride of your country."

The Sri Lankan speaker referred to his meeting with President Ziaur Rahman and spoke highly of the dynamism and devotion with which he (President Zia) was leading the country.

Speaker of Jatiya Sangsad Mirza Golam Hafiz was present at the airport to see off Mr Markar.

CSO: 4220

BNP SECRETARY GENERAL RETURNS FROM PRC VISIT

Dacca THE BANGLADESH TIMES in English 10 Jan 81 p 8

[Text] The Secretary General of the Bangladesh Nationalist Party (BNP) Prof A Q M Badruddoza Chowdhury, said in Dacca on Thursday night that China had agreed to train two anaesthetists and a surgeon from Bangladesh in the art of acupuncture.

Talking to BSS on return from a two-week tour of China at the head of a three-member delegation, Prof Chowdhury said "we are also going to send some of our traditional doctors to China to learn about their traditional medicines. How they prepare traditional drugs and pills that cost us so much money to import". [as published]

Prof Chowdhury, who is also the deputy leader of the House said, "we are impressed by different aspects of traditional Chinese medicines, such as acupuncture" and added that both the countries would be benefitted in the exchange of ideas and knowledge as both of them faced similar problems and were prone to the same types of disease.

The leader of the Bangladesh delegation, who visited Shanghai, Canton and Hangchu and held discussions with governmental leaders and health experts said, "we were able to compare our ideas on medicines to our mutual benefits". I was amazed to see that the Chinese health system was almost similar to our own". [as published]

During his visit the Leader of the Bangladesh delegation met Vice Chairmen and State Council's Secretaries Generals of Shanghai, Canton and Hangchu, and the Health Minister of China Dr Qian Inzhong. He had also held discussions with the Chinese Vice Premier Jie Pengfei.

Prof Chowdhury said that a party delegation would visit China in May on an invitation from the Chinese party.

CSO: 4220

DACCA PRESS REPORTS ON GANGES WATERS TALKS

Foreign Office Spokesman

Dacca THE BANGLADESH TIMES in English 10 Jan 81 pp 1, 8

[Text] Water of the river Ganges are to be used to meet the "full requirements" of Bangladesh. [as published]

This was emphasised by a spokesman of the Foreign Ministry on Friday while commenting on the problem relating to the sharing of the Ganges water.

The spokesman said that the goal before the two countries was set by joint declaration of the Prime Ministers of Bangladesh and India in August, 1974.

He said that basic spirit of the declaration was to augmentation of flow of the Ganges to "meet the need of Calcutta port and full requirements of Bangladesh".

The Foreign Office spokesman said that the sharing of the Ganges water was based on the availability of water at Farakka. The joint declaration envisaged no withdrawal of the Ganges water at the upper and lower reaches".

He said that Bangladesh needed water to implement its programmes to increase food production. Bangladesh was keen and interested to find out a long term solution of the Farakka problem.

The spokesman said that both Bangladesh and India were trying to negotiate on the basis of understanding and trust.

BSS adds: The Foreign Office spokesman expressed the hope that the question of sharing Ganges waters at Farakka would be approached in a spirit of mutual cooperation.

He also expressed the hope that the talks now going on in New Delhi would provide "fruitful results".

Replying to questions at a Press briefing at the Foreign Office, the spokesman said that Bangladesh always approached the question in a spirit of cooperation and good understanding for a permanent solution to the issue of sharing the Ganges waters.

He added that the two sides had been approaching the question in a cooperative spirit, which, he stressed, should be maintained.

So, he said, the withdrawals from the Ganges by India at various points above Farakka Barrage were clearly outside the goal and spirit of solution set by the two Prime Ministers in their Joint Declaration.

Dacca's View

Bangladesh, the spokesman added, was not at all satisfied with the short-term sharing arrangements.

He reiterated that Bangladesh was always very keenly interested in evolving a long-term arrangement for sharing the Ganges waters especially in view of this pressing needs for water for raising food production.

He added, because of the fact that the Ganges water was badly needed in Bangladesh for irrigation and for food production "we are trying to negotiate to arrive at a constructive conclusion on the basis of mutual goodwill, understanding and trust".

Replying to a question about the "matter running out of patience" as reported in the Indian Press, the spokesman said he did not understand why the matter should run out of patience.

He told another questioner, "the working groups of the two countries' delegations headed by their respective State Ministers are meeting now" and added "They are expected to submit reports to the two Ministers.

"We hope", he added, "that the talks would bear fruitful results".

Delegate Returns to Dacca

Dacca THE BANGLADESH TIMES in English 10 Jan 81 pp 1, 8

[Text] Kazi Anwarul Huq Minister for Power Water Resources and Flood Control on Friday expressed the hope that Bangladesh and India would be able to attain the set objectives of the review meeting on Farakka agreement reports BSS.

Mr Huq was talking to newsmen at the Kurmitola Airport on return from New Delhi where he led the Bangladesh delegation at the second ministerial level meeting with India for reviewing the working impact implementation and progress of the Ganges waters agreement over the last three years.

Mr Huq said the review could not be completed and added that the two sides would hold the final round of the review meeting in Dacca around the middle of the next month.

The Water Resources Minister said that in the first review meeting (held in Dacca in November) the two sides had agreed to prepare their respective review reports.

The review report were exchanged on December 19 by the two sides and they formed the basis of the discussions at the just concluded review meeting he added. [as published]

Mr Huq added that the opening statements of the two Ministers leading their respective delegations at the second review meeting which ended today were based on their respective side's review reports exchanged on December 19.

Kazi Anwarul Huq said that during the review there were some points on which the two sides agreed and still were others on which differences persisted.

'We have seen the impact of the withdrawals of the Ganges waters by India on Bangladesh' He said adding 'moreover the diversion of the waters to Calcutta port has not achieved the designed results.' [as published]

The Water Resources Minister said that the meeting was held in 'a cordial atmosphere' and said 'We hope that we will be able to conclude the review achieving its set purpose'. [as published]

Mr L K Siddiqui State Minister for Power Water Resources and Flood Control who was a member of the delegation said that both sides agreed on the need for augmenting the dry season flows of the Ganges.

But he said there are differences of opinion on the ways and means to be adopted for augmenting the dry season flows of the Ganges.

Replying to a question Kazi Anwarul Huq said that the Joint Rivers Commission was formed in 1972 with the objective of coordinating the efforts of the two countries for best utilisation of the water resources of the common rivers.

He said that the JRC had proved to be 'the best agency' for administering the entire issue. He said that the JRC had the skill, expertise and knowledge to handle the common river issue.

Excerpts of Huque's Speech

Dacca THE BANGLADESH OBSERVER in English 9, 10 Jan 81

[9 Jan 81, pp 5, 6]

[Text] Since our last meeting in Dacca, two months ago officials and experts of both the countries have been engaged in the complex task of preparing respective reports on the working impact implementation and progress of the arrangements contained in Part 'A' and Part 'B' of the Ganges Waters Agreement, to facilitate the task of Review in pursuance of Article XIV of the 1977 Agreement. These reports have been duly exchanged on the 19th December 1980, in accordance with procedure agreed upon in the November meeting.

In approaching the task now before us there is, perhaps, no better starting place than the Epilogue on page 24, Chapter two of Part B of the Report of the Indian Irrigation Ministry. A number of interesting and thought-provoking statements have been made and searching questions posed which we find particularly relevant.

The Report poses the following questions: First "how the situation regarding availability of Ganges waters at Parakka has been worsening? [as published] What are the future demands being built up, partly satisfied and partly unsatisfied in both the countries and how fast the suffering on either side is growing and how intense it is? These are the issues which arise in the situation as it exists today". Secondly, "How long shall both countries continue with make-shift arrangements of sharing waters". Thirdly "Would it be possible to live with short-term arrangements when there is no hope of augmenting the Ganga flow in the near future"?

The report concludes by stating: "Both the sides will have to apply seriously to these questions and try to understand each other and redouble their efforts for most effective cooperation towards meeting the growing demands of water in both countries."

These are, indeed, some of the major questions to which we seek answers and have addressed ourselves to, in the Bangladesh Report.

It is obvious that no review of the 1977 Agreement can be effectively divorced from the perspective in which it was conceived or the circumstances in which it was negotiated. For India and for Bangladesh particularly as the lower riparian, a 'Permanent' solution of the problem is an imperative of the highest importance in the interest of promoting the well-being of the peoples of both the countries and also of fostering peace and good neighbourly relations.

In order to see the Agreement in its correct perspective several pertinent factors need to be highlighted. All of these factors will demonstrate the high priority attached by Bangladesh to a permanent solution. Apart from historical backdrop under which the Agreement was concluded, Bangladesh in its Review Report has sought to stress several closely interlinked factors of prime importance including the total dependence of Bangladesh on the historical flows of the Ganges, the inherent right of Bangladesh as a co-riparian to the use of the waters of this international river; the merits of the competing claims of Calcutta Port and Bangladesh in the use of the Ganges waters; the heavy burden of sacrifice borne by Bangladesh in reaching a solution; the magnitude of the full requirements of the Ganges waters by Bangladesh and finally the continuing adverse effects of the reduced flows on Bangladesh. Taken in their totality they make it abundantly clear that Bangladesh could not be content with an interim solution.

It may be recalled that bilateral negotiation on this issue spread over more than a quarter century prior to reaching the present agreement. Voluminous correspondence was exchanged. Numerous meetings at all levels were held. Prolific data were collected and studies made BUT WITH NO RESULT. Notwithstanding all the meetings all the studies and all the explicit understandings that a mutually acceptable allocation of the Ganges waters at Farakka during the periods of minimum flows would be reached, the Farakka Barrage became a *"fait accompli"* in 1973. [as published]

It was not until May 1974 that the Prime Ministers of India and Bangladesh for the first time since Bangladesh's emergence discussed the problem of the Ganges waters. In their Joint Declaration of May 1974 they (the two Prime Ministers) recognised that during the periods of minimum flow in the Ganga there might NOT be enough water to meet-the needs of CALCUTTA PORT and FULL REQUIREMENTS OF BANGLADESH and, therefore the fair weather flows of the Ganga in the lean months would have to be augmented to meet the requirement of the two countries. [as published] It was agreed that problems should be approached with understanding so that the interests of both the countries are reconciled and the difficulties removed in a spirit of friendship and cooperation." [as published]

Here I would like to mention in passing a crucial point. In the Epilogue of their Review Report the Indian side refers to this important Declaration and states that "as far back as 1974 the leaders of the two countries recognised and accepted that the flows of the Ganga at Farakka and down below needed to be augmented in the lean

season and that this was the only way for finding a permanent solution to meeting the growing requirements of water in the two countries." It is clear from the actual text of the Declaration that the expression "growing requirement" of water in the two countries used by India in the report does not appear anywhere in the Declaration. Only two specific requirements were envisaged the needs of Calcutta port on the one hand and the "full requirements" of Bangladesh on the other.

It is important to note that the two Prime Ministers in their Joint Declaration in 1974 also "expressed their determination that before the Parakka Barrage is commissioned they (the two countries) would arrive at a mutually acceptable allocation of the waters available during the period of minimum flows in the Ganga". The significance of this historic declaration lies in the fact that the commissioning of the Parakka Barrage was agreed to be conditional upon reaching an agreement on the allocation of waters, on a mutually acceptable basis. It also explicitly gave a categorical recognition at the highest level to the internationally recognised rights of Bangladesh to the waters of the Ganges as a lower riparian.

While discussion on the allocation of waters was continuing, Bangladesh agreed, at the specific request of India, to a trial operation of the Parakka Barrage. An agreement was accordingly reached for running the "feeder canal" for a limited period of 41 days (21 April-31 May 1975) with discharges varying from 11,000 to 16,000 cusec in 10 day periods ensuring the remaining flows to Bangladesh. India, however contrary to her commitment at the highest level and without renewing or entering into a fresh agreement on a mutually acceptable allocation, started unilateral diversion with disastrous consequences to the economy and ecology of Bangladesh and livelihood and welfare of its people.

Faced with this situation and despite repeated bilateral efforts to remedy it, Bangladesh had to take the issue to the United Nations General Assembly under Article 14 of the UN Charter. The Assembly's consensus statement of 26 November 1976 urged the two countries to an expeditious resolution of the issue through renewed bilateral negotiation in a spirit of cooperation. These negotiations culminated in the signing of the Ganges Water Agreement on November 5 1977.

It is stressed that the dependence of Bangladesh on the natural and historical flows of the Ganges water is total. The economic well-being and the survival of the people of Bangladesh are inextricably linked with the life-giving waters of its rivers. The Ganges waters in particular serve 37% of the total area of Bangladesh and 33% of the population of Bangladesh live in the basin. The river provides drinking water to the people, sustains agriculture, forestry and fishery serves as the main means of transport, keeps at bay saline intrusion from the sea and plays a dominant part in the ecology of the region. Bangladesh is thus totally dependent on the life sustaining use of these waters. The issue involved therefore, is the historical usage of the Ganges waters. They are all existing uses, made over centuries, so that a pattern of inter-dependence and integral balance between land, water and human life has developed. Furthermore, Bangladesh has no alternative to replace or supplement the deprivation of the natural flows of the Ganges.

The stated purpose for which the barrage at Parakka was constructed was to improve the navigability of Calcutta Port. The efficacy of the diversion of water from the Ganges for this purpose has been questioned by many including eminent Indian

experts. Experts like K. Bhattacharya and Dr. Ippen had concluded that the diversion of fresh water from the Ganges would not be a solution to the problem of Calcutta Port. On the contrary, the problems might accentuate with increasing diversions. Studies indicate that the permissible droughts in the Hooghly river has not shown any marked difference between pre and post diversion periods. The conclusion drawn by Experts clearly demonstrate that the diversion of Ganges Waters in the Hooghly river has little effect on the navigational improvement of the Calcutta Port.

The entire question of diversion of the Ganges Waters has to be considered, assessed and weighed in the context of relative merits of requirement and necessity of improving the channel of the Hooghly river on the one hand and the survival of one third of the people of Bangladesh on the other.

While Bangladesh, a flat deltaic land has no alternative, India has both the means and the alternative for maintaining the navigability of the Hooghly river. The recognition of gradual decline of Hooghly which was largely due to implementation of the Damodar Valley Project, is reflected in the setting up of a modern deep water port at Haldia by the Govt. of India as early as mid 50's.

There is yet another crucial factor which has in the past been overlooked. For years it has been said that Calcutta Port and for that matter Bangladesh would not today be in such dire straits if vast quantities of water were not quietly diverted from the upper and middle reaches of the Ganges in India. These charges have constantly been reiterated in the Indian press. They have been confirmed by studies carried out by experts and reports of important institutions such as the Irrigation Commission and Calcutta's Centre for studies on Social Sciences among others.

There appear to be ample evidence that there are over a dozen major projects and hundreds of smaller projects in the field of irrigation alone. [as published] Indian experts themselves hold that there is no clear perception of the total (current and projected) demand of the water by all claimants of the Ganges waters within India not to mention Bangladesh as well as utter confusion over proper use, availability and regulation of water. What is more serious is that there are complaints in India itself of unplanned interference in the usage of water in the upper and middle reaches of the Ganges and indeed misuse of water which has vitiated the planning of these vital and scarce resources. One can only reiterate the words used in the editorial of THE STATESMAN on 15 July 1980 and I quote:--

"Farakka is starved because of the centre's greater concern for irrigation, drinking water and industrial requirements in Uttar Pradesh and Bihar. It is palpably unfair to continue to turn a blind eye to these increasingly lavish drawings and then invoke Calcutta's plight to persuade Bangladesh to make do with a much smaller quantity of water."

In a spirit of mutual understanding and good-neighbourliness, Bangladesh signed the Ganges Waters Agreement. In doing so sacrifices and concessions made by Bangladesh were immense. Bangladesh accepted as an interim arrangement a quantum of waters as its share which was 40% less than the historical flows to which she was entitled.

[10 Jan 81, pp 5, 6]

[Text] During 1980 there was abnormally low flows in the Ganges at Farakka. As a result Bangladesh had received a quantum much below the normal flows during the period from 24th January to 26th April, 1980. Even the guarantee clause of 80 per cent share to Bangladesh under the Agreement failed to safeguard the interests of Bangladesh. The abnormal decrease in the dry season flows of the Ganges at Farakka was the lowest ever recorded. India, despite the request of Bangladesh, did not furnish any data which could explain the abnormal behaviour of the dry season flows of the Ganges in 1980. Our own study shows that such abnormal behaviour cannot be explained by drought alone. Answer can only be found in the massive withdrawals in the upper reaches. No doubt, the reduced availability at Farakka has resulted in a declining share for both Bangladesh and Calcutta Port. As a matter of fact, this particular situation has undermined the very basis of sharing of the Ganges Waters at Farakka.

The magnitude of Bangladesh's current and potential requirements of water demonstrate the critical need of more water as a crucial determinant of the future survival of its people. Bangladesh's target of doubling its food production to meet the growing needs of its population is a vital priority objective of its 2nd Five-Year Plan. To achieve this target, Bangladesh has launched an integrated and comprehensive Agricultural Development Programme of which water is the key input. Any reduction in the availability of water in the Ganges will seriously hamper the development of agriculture in the South and South-Western Region of the country which is wholly dependant on the waters of the Ganges. [as published] Disruption of agriculture in 1/3rd of the area of the country cannot but jeopardize seriously the overall economy of Bangladesh. [as published] The need for augmenting the dry season flows of the Ganges is of paramount importance to Bangladesh.

Bangladesh has devoted a large part of its report to detail the impact of the post 1977 reduced flows which has had dire effects on the economic and ecological infrastructure of Bangladesh in varying degrees of intensity. It is not our intention to repeat these details. Suffice it to say that the Indian contention that apprehensions expressed by Bangladesh about adverse effects of withdrawals at Farakka were exaggerated has been proved to be not true. This has been borne out by the field experience and data presented in the report. As a matter of fact anyone going through the relevant part of the Bangladesh report will realise that the Indian claim that Bangladesh's actual requirements were much less than the availability is a travesty. The impact has been devastating, cumulative and in some areas irreparable.

In the interest of peace and cooperation and friendship Bangladesh agreed to make sacrifices temporarily in the April 1975 Agreement and again in 1977 in the hope that not only her historical flow would be restored but also that the dry season flows would be augmented and made available to Bangladesh in an acceptable proportion to meet the increasing needs of water for full development of the area dependant on the Ganges. [as published] Thus, the Ganges Waters Agreement held out a promise that the development of the waters of the Ganges would be effected in its totality i.e. from its source to the outfall in cooperation with all co-riparian states. The spirit motivating this sacrifice needs to be comprehended and acted upon. Bangladesh too, asks the question as to how long we are to live with an interim arrangement.

I would like to invite your attention to the working and progress of the short term arrangements under Part-A of the Agreement. The sharing of the Ganges waters at Farakka started from the 1st Jan. 1978. During the course of the last three years, the Joint Committee set up by the Govts. had accomplished their task in conformity with the provisions of the Agreement. Unfortunately, a controversy arose while finalising the annual report of the Joint Committee for the 3rd year in 1980. Indian side maintained that Bangladesh was undermeasuring the discharges of the Ganges at Hardinge Bridge. Bangladesh side held that Indian was overmeasuring the discharge of the Ganges at Farakka. Such contentious arguments do not lead us anywhere. Instead of questioning each others method, manner and equipment in use, both sides should try their best to measure the discharge as accurately as possible. As the discharge are measured Jointly, we would expect them to use their best judgement to reconcile the issue. [as published]

One of the important tasks of this meeting is to review the progress in finding a long term arrangement for augmenting the dry season flows of the Ganges under Part B of the Agreement. Bangladesh and India exchanged proposals for long-term augmentation of the dry season flows of the Ganges in March, 1978. Bangladesh proposal envisaged construction of storage dams in the upper reaches of the Ganges in India and Nepal to conserve the monsoon flows for augmenting the dry season flows of the Ganges. Bangladesh held that there was enough water in the Ganges basin itself to meet the needs of all the corriparians. [as published]

The Bangladesh proposal was also discussed by the JRC in 1975 in pursuance of the declaration of May 1974. The Indian side rejected the Bangladesh proposal *prima facie* on the ground that the JRC being a bilateral body was not competent to discuss projects in a third country (Nepal). This aspect was kept in view while negotiating the Ganges Waters Agreement. With the signing of the Ganges Waters Agreement in 1977, the basis on which the Indian objection rested was removed. In the Side Letter to the Agreement it was agreed that the schemes for building and construction of storage dams in the upper reaches in Nepal would not be excluded from the study. In the same Side Letter the two Governments also agreed to take further steps in this direction. Farakka Agreement, therefore, clearly indicated that involvement of Nepal in the investigation and study of a scheme was necessary. Bangladesh in requesting involvement of Nepal was merely pressing for faithful implementation of what had already been provided in the Ganges Waters Agreement i.e. to take further steps necessary for investigation and study of the proposal for construction of storage dams in Nepal.

In the Note Verbal dated 31st August, 1978 the Govt. of India put the pre-conditions in the following manner:

"If in the process of the study of the two proposals it is demonstrated that an approach to Nepal for collecting facts and data for some elements in the Bangladesh proposals is necessary, the form and content of approach could be considered provided (a) it does not call for Nepal being a party to the existing or proposed institutional arrangement and (b) it does not require Nepal being made a participant in the study in any way."

The proposal which envisaged among others, construction of storage dams in Nepal could not be considered without the active participation of Nepal--a sovereign country. Bangladesh, a country committed to the concept of sovereign equality of

all nations could not be a party to requiring a neighbouring country to furnish data about projects proposed to be located in the latter's territory without requesting her co-operation and participation. The Indian pre-condition summarily ruled out Nepal and blocked any meaningful study of the Bangladesh proposal.

About the alleged insistence of Bangladesh on involvement of Nepal in an institutional frame work, it may be pointed out that Bangladesh maintained a flexible stand. [as published] She did suggest in the Note Verbal dated 31st July, 1978 that HMG Nepal could be jointly approached for its co-operation and that Nepal might have been included in the study by modifying the statute of JRC or by setting up a new commission with the 3 countries for the development of the Ganges basin. As this was not acceptable to India, Bangladesh suggested that a joint delegation of Bangladesh and India might visit Nepal on the question of her participation in the joint study of the Bangladesh proposal for construction of storage dams in Nepal. Even involvement of Nepal in the joint study of the Bangladesh proposal was not acceptable to India. Obviously Bangladesh's stand on the manner of involvement of Nepal in the study of her proposal was reasonable and flexible.

Pursuant to May 1974 declaration, the JRC discussed the proposal at length over a period of one year. The discussion had been recorded in a joint report submitted to the two Governments in June, 1975. While Bangladesh rejected the Indian Proposal after exhaustive discussion, deliberation and careful consideration of the technical, social and economic aspects of the Indian proposal, India rejected the Bangladesh proposal outright, without going into its merits. India on the other hand rejected involvement of Nepal in terms of Bangladesh proposal on the following grounds:

"The Indian side has consistently taken the stand that JRC is a bilateral forum and as such it would be improper for it to involve a third country" (Nepal).

With the signing of the Ganges Waters Agreement whatever basis the Indian stand had ceased to be valid and as a matter of fact steady progress towards approaching Nepal for her involvement was made throughout 1979. The first major step was the formation of a committee on Nepal by the JRC. Unfortunately however, from the beginning of 1980 India reverted to her earlier stand despite the provisions in the Side Letter to the Agreement.

The task entrusted by the Agreement to the JRC was to find a long term solution to the problems of augmentation of the dry season flows of the Ganges. The Indian proposal on the contrary was to transfer the waters of one river to another. In explaining the aims and objectives of the Indian proposal it has been stated in the Indian Review Report that the proposal aims at optimum utilisation of Brahmaputra and Meghna river waters (page 13 Chapter-II). This observation in the Indian report alone throws ample light on the circumstances which prevented the JRC from finding a long term solution. The task before the JRC was to find the best means of augmenting the dry season flows of the Ganges. But the Indian side came up with a proposal which was concerned with so called optimum utilisation of the Brahmaputra and Meghna waters. The Indian proposal therefore, departed from the very mandate given to JRC under the Ganges Waters Agreement.

Indeed the JRC could not submit any recommendation about long term augmentation of the dry season flows of the Ganges within a period of 3 years. The solution of

the problem relating to international rivers cannot possibly be found within a short period of time. It needs to be recognised that an easy and time bound solution to the problem of such nature is not possible. The complexities of the problems were duly recognised by the Prime Ministers of Bangladesh and India as early as in 1974 when they declared that 'it would take some years' before a mutually acceptable solution could be found. Although the J.R.C. has not yet been able to find a long term solution within the limited period of three years the exercises undertaken have broadened the perspective and sharpened the comprehension of the issues involved. The experience gained by the Joint Rivers Commission will be an invaluable aid to the continued search for a long term solution.

The Minister for External Affairs of India in a recent statement said that the negotiations between the two countries had resulted in a greater understanding of each others points of view. This understanding could be considered as the basis for a systematic approach towards finding a solution through the existing institutional arrangements. [as published] Our experience of the past has shown that with continued cooperation and firm determination it will be possible for a high level and technically qualified body like the J.R.C. to find a mutually acceptable solution to the problem of augmenting the dry season flows of the Ganges waters. We have noted that the Indian Review Report in its epilogue has called for a "redoubling" of efforts. It would appear to be in the fitness of things that an institution which is already in existence and which has amassed vast experience and considerable insight into the problems should be entrusted with the task of intensifying the joint endeavours of the two countries for finding a mutually acceptable long term solution.

Before I finally conclude, Your Excellency, I would like to assure you of our full cooperation in completing the task of review entrusted to us in a spirit of understanding and friendship. I again thank you for your warm welcome to me and my delegation and the hospitalities extended to us.

CSO: 4220

DACCA'S STAND ON SOUTH ASIAN CONFERENCE TOLD

Dacca THE BANGLADESH TIMES in English 10 Jan 81 p 1

[Text] Foreign Secretaries of seven South Asian countries--Bangladesh, India, Pakistan, Sri Lanka, Nepal, Bhutan and Maldives--will meet towards the end of next month or early March in connection with South Asian summit proposed by Bangladesh.

A Foreign Office spokesman said on Friday that President Zia proposed the summit to develop regional cooperation and sent special envoys to capital of all these countries. [as published]

He said that there was great support to this idea of regional cooperation and all these countries agreed to the proposal in principle.

The spokesman said that Bangladesh had already circulated working paper stating Bangladesh's concept and views on regional cooperation. This working paper would be discussed at the Foreign Secretaries meet, he told a questioner.

The spokesman said that Sri Lanka proposed holding a meeting of the Foreign Secretaries of the seven countries in mid-January as a preparatory step toward holding the summit.

Bangladesh and some other countries, the spokesman said, are agreeable but some others are not agreeable to hold the meeting this month due to preoccupation with the forthcoming Non-aligned Foreign Ministers meeting and the Islamic Summit Conference.

So he added, the present thinking is that the Foreign Secretaries of the region will be meeting in late February or early March, but, the exact date will be decided through mutual discussion, he said.

He told a questioner that Sri Lanka had offered to host the Foreign Secretary-level meeting and all the countries are agreeable to it.

He said, "We are convinced that the proposed regional co-operation would be of mutual benefit for the peoples of South Asia."

He decided to give the details of the outline of the summit meeting that Bangladesh had sent to the countries of the region saying "it would be premature to discuss that now".

The shape and modalities of the proposed regional cooperation will be fixed through mutual discussion, he told a questioner adding that it would be premature to speculate on them now.

DEMOCRATIC PARTY SCORES BNP ECONOMIC POLICY

Dacca THE BANGLADESH OBSERVER in English 12 Jan 81 p 12

[Text] Chittagong Jan. 11:--The Democratic Party will strive for establishment of a patriotic democratic Government which will be able to solve all economic and political problems of the country, reports BSS.

This was stated by Mr. Anwar Zahid a member of the standing committee of Democratic Party at a Press conference held at the Press Club here this afternoon, Mr. Abdul Matin, another member of the committee was also present at the conference. [as published]

Criticising different policies of the Government he said that it had failed to come up to the expectation of the people and that its production and distribution policies were erroneous as a result of which prices of all goods have been increasing by leaps and bounds. He said that Government increased the prices of some commodities by passing the National Parliament.

Mr. Anwar Zahid said that his party had given a 14-point programme for a launching a movement. [as published] 14 point programme includes repeal of the 25th amendment annulment of 25 year agreement with India withdrawal of Disturbed Area Bill, release of political detenus abolition of jubo complex and solution of Chittagong Hill Tracts problems. [as published]

CSO: 4220

PRESIDENT RAHMAN CALLS FOR BOOST IN EXPORTS

Dacca THE BANGLADESH OBSERVER in English 19 Jan 81 p 1

[Text] President Ziaur Rahman inaugurated the Dacca Export Fair--81 on Sunday afternoon at Sher-e-Bangla Nagar giving a call to gear up export earning for speedy implementation of the Second Five-year plan. He also asked both public and private sectors to identify new items for exports to reduce dependence on foreign assistance by fetching more foreign currency through augmenting exports.

Organised by the Export Promotion Bureau the fair is being participated by about 40 organisations who have exposed the country's exportables. This will provide an opportunity to create export awareness among the people and educate them about the export potentials of the country.

The inaugural function was presided over by Choudhury Tanbir Ahmed Siddiqui, State Minister for Commerce and was addressed by Syed Amir Khasru, Secretary, Foreign Trade Division and the Vice-Chairman of the Export Promotion Bureau. The Cabinet Ministers, Members of the Parliament and members of the diplomatic corps attended the inaugural function.

President Zaiur Rahman called for closer cooperation between the private and public sectors for boosting the export trade. [as published] He asked the private sector to set up export-oriented industries in the country. The President also directed the public sector to fully utilise the industrial capacity for producing exportable surplus. He hoped that if the industrial production could be raised, the country would be in a position to export machinery and spares.

Emphasising the need for diversifying the export trade the President said agricultural items must be included in the export list. He said that the Swanirvar Gram Sarkar will help double the food production and "we can export foodgrains" to increase the export earnings.

This is the sixth export fair. After the inaugural function the President went round the stalls in the exhibition.

In his presidential speech, Choudhury Tanbir Ahmed Siddiqui said that allout efforts were being made to increase the export earnings of the country. [as published] He was happy to note that over the past five years the export earnings continued to increase. He stated that the export earning was Taka 551.67 crore in 1975--76 which had rose to Taka 1176.02 crore in 1979-80. The export target for the current year had also been revised upward, he informed. [as published] The Minister said that necessary programmes had been taken to implement the export programmes. He was hopeful that the export earning of the country could continue to increase every year.

CSO: 4220

BANK OFFICIAL WRITES ON IMPORTANCE OF EXPORTS

Dacca THE BANGLADESH OBSERVER in English 21 Jan 81 p 10

[Article by A. K. Gangopadhyay, deputy governor of Bangladesh Bank]

(Text)

EVERY nation aspires to increase the overall welfare of its citizens. In fact, all economic activities revolve round the central objective of augmentation of the well-being of the society and it is for this purpose that various development plans are prepared and sought to be implemented. The need for such activities is still the more pressing in developing countries like ours where a vast majority of the people continue to live in abject poverty. Thus to generate more income and employment and ensure an improvement in the living standard a series of projects are taking up in different fields of economic activity and the same is specially true of Bangladesh which is now in the first year of its Second Five-Year Plan envisaging a total investment of Tk. 25,355 crores with imports estimated at Tk. 33,441 crores and

exports at Tk. 7,430 crores or about 23% of imports on average. This shows the extent to which exports are expected to which undish zetakh arCylkw help materialise the Plan itself by making funds available for imports. It may be mentioned that terminal year of the Plan, exports are estimated at Tk. 1,717 crores of 31 per cent of imports estimated at Tk. 5,466 crores.

We know development needs call for massive imports which in turn require foreign exchange resources to finance them. There are again two main ways of financing imports: i) self earned foreign exchange resources which include mainly export earnings and remittances by nationals from abroad and ii) foreign aid including grants. Since there are often political turmoils and ideological overtones in foreign assistance even if it were pro-

its own foreign exchange resources are always looked upon as the best method of financing imports to meet development as well as domestic consumption needs. No self-respecting nation would like to remain ever dependent on others. In fact increasing the amount of export earnings to cover as much as possible the import financing is the real road to achieving national self-reliance improving the lot of the common man and emerging as a respectable state in the comity of nations. Besides increase in exports reflects improvement in the gross national output leaving saleable surplus; it also denotes efficiency derived from a country's comparative advantage in production and exchange.

The role played by exports in the economy of Bangladesh can be assessed from the figures in the following table.

GDP EXPORTS AND IMPORT OF BANGLADESH
(AT CURRENT PRICES)

Period	Exports	Imports	GDP	Exports as % of Imports	Exports as % of GDP
1972-73	285.40	773.40	4,511.20	36.74	6.13
1973-74	298.33	732.00	7,188.60	40.76	4.20
1974-75	313.58	1,084.23	12,574.10	28.92	2.49
1975-76	555.17	1,470.32	16,748.80	37.76	3.37
1976-77	667.81	1,389.29	20,536.10	47.57	3.23
1977-78	717.52	1,821.63	13,829.00	39.41	5.58
1978-79	963.17	2,172.46	14,477.40	44.33	6.65
1979-80	1,818.72	2,707.30	16,333.80	37.63	6.24

Source: Bangladesh Bureau of Statistics

It will be observed from the above table that our exports at current prices rose significantly by about 257 per cent. from Tk. 2,624 crores to Tk. 7,618.72 crores to Tk. 1,016.72 crores during the seven year period end 1975—80. This improved performance of our exports represented a sharp rise in the value of non-traditional exports which went up by about 350 per cent during 1972—73/1975—80. In fact the rate of growth in exports indicated that in imports which grew by about 250 per cent from Tk. 773.40 crores in 1972—73 to Tk. 2,307.50 crores in 1975—80. Exports as a percentage of imports i.e. the extent to which exports have been able to finance imports can also be seen in the above table. It is worth noting that from less than 37 per cent of total imports in 1972—73 exports rose to account for about 44 per cent of the import bill by 1976—77. However there has been a deterioration in the ratio since then due to substantial increase in imports to meet the needs of the economy. Exports in relation to the GDP also showed a favourable trend during the post-liberation period as can be seen in the table above. Amidst some fluctuations, export as a percentage of GDP rose from 4.39 in 1973—74 to 6.61 by 1976—77 and was 6.34 in 1979—80.

It can also be seen from the above table that exports which showed rising trend all through the post-liberation era rose at a markedly higher rate since 1975—76 following a series of export promotion measures taken during the period. To enumerate a few, mention may be made of 1) conversion of the Export Promotion Bureau into a semi-autonomous body 2) introduction of the Export Credit Guarantee Scheme 3) introduction and steady expansion of the Export Performance Licensing Scheme, to include as many as 40 items by 1979—80 4) setting up of the National Export Council with the President himself as the Chairman and 5) increased facilities for expanded commercial bank

credit relief on customs and excise duty and sales tax in case of exports. In addition to the above, arrangements have been made for increased participation of Bangladesh in trade fairs abroad, foreign travel facilities for exporters, provision of export trophies, medals certificates etc. and declaration of an item every year as the export product of the year.

The banking sector of Bangladesh, under the leadership of the Bangladesh Bank, has been making active endeavours to encourage the country's exports. To this end pre-ship, men and packing credit was made available at a concessionary rate of 10% per cent annum. Even after recent general enhancement in interest rates, credit for exports has been fixed at a concessionary rate of 17 per cent per annum against the general lending rate of 13.5 per cent. In order to ensure adequate flow of credit for non-traditional exports, credit target has been fixed for each of the nationalised commercial banks at 1 per cent of their total demand and time liabilities as on last Friday of June, 1980 for disbursement to exporters of all items other than raw jute goods, tea, jute and skins, rice, puffed rice and jute bags during 1980—81. Bangladesh Bank has also decided to provide refinance facility by way of rediscounting of export bills and overdraft against export bills to banks at Bank Rate to the extent of 30 per cent of the bills in case of traditional exports and to the extent of 100 per cent of the bills in respect of non-traditional exports. Besides in order to be of more help to the exporters, all the nationalised commercial banks have opened one special branch each in all the districts and also in port towns designated as Export Branch. These branches are specially equipped to provide prompt and proper guidance, market intelligence and financial accommodation to the exporters. In addition Bangladeshi Bank has allowed nationised commercial banks to open a number of branches

abroad to look after our export interests directly as also through correspondent relationship which has also expanded substantially by now.

The role of the banking sector in promoting the country's exports can be easily understood from the fact that, the nationalised commercial banks which had advanced a total of Tk. 254 crores against export commodities as at the end of June, 1973 advanced Tk. 371 crores by June 1978. The outstanding level of advances against export commodities stood at about Tk. 414 crores at the end of June, 1979 and increased further to Tk. 476 crores by June 1980. This shows that bank advances against export commodities recorded a sharp rise of 67 per cent during 1975—80. It hardly needs to be emphasized that the increased bank assistance to the export sector reflected the Government's as well as Bangladesh Bank's eagerness to promote exports in the overall national interest.

On the basis of the above position it can be maintained that our export trade has been playing a very vital role in the national economy by fetching increased amounts of foreign exchange from the world outside every year and helping finance the import bill thereby to accelerate the pace of growth. There is, however no doubt that greater efforts have to be made to harness more natural resources and increase overall output; much more so as to be able to attain a still greater success in the export front in the years ahead. There has, in recent years, been a widening gap between the amounts of exports and imports in absolute terms and supply constraint has been a major factor inhibiting a faster rate of growth of exports to narrow this gap. It is, therefore, of crucial importance to have an effective export growth strategy through structural adjustments aimed at increasing the exportable surplus in the country.

DETAILS OF LATEST AGRICULTURE CENSUS GIVEN

Dacca THE BANGLADESH OBSERVER in English 21 Jan 81 pp 10, 11

[Text] Bangladesh participated in the 1970 programme of the World Census of Agriculture and conducted the First Agricultural Census in 1977 within the framework of guide lines provided by the FAO.

A similar census was conducted in this territory in 1960. The 1977 census was inter alia intended to gain experience for undertaking a bigger programme of holding a country wide full count agricultural census in the future. The objectives of the census were also to collect detailed and up-to-date information on the structure of agriculture covering agricultural land crops irrigation fertilizers livestock employment etc. The census data have multiple uses in various fields of planning implementation of development programmes and monitoring of plan progress. Census data can be used for uplift and welfare of the marginal and small farmers land reforms programme preparation of national accounts application of fertilizers and use of high yielding seeds programme multiple cropping programme irrigation program the agricultural extension and credit policies programme etc.

The 1977 agricultural census. For conducting the 1977 Agricultural Census a sample of approximately 14% of the rural mouzas was selected separately from each thana with probability proportionate to the number of households in a mouza. After stratification of the households of each mouza at the time of listing namely farm holdings livestock holdings and others an appropriate number of holdings was then selected from the first two classes depending on the size of the mouza. In all 4,38,485 farm holdings and 72,127 livestock holdings were actually enumerated from 7,721 rural mouzas. The reference period for collection of information regarding farm area and inputs was 1st July, 1976 to 30th June 1977 for livestock the day of visit and for employment the week preceding [as published] the day of visit. The field enumeration was conducted through direct door-to-door interview with the respondents by over 6 thousand enumerators who were imparted a one week theoretical and practical training before they undertook their assignment. Their work was supervised by 62 full time Census Supervisors one in each subdivision supplemented by technical staff and officers of the census organization. For collecting the information a book type elaborate questionnaire was used which consisted of about 120 questions divided into 9 broad sections covering type and size of holdings tenure land utilization cropping pattern irrigation chemical fertilizers

insecticides and pesticides agricultural equipment and machinery livestock and poultry agricultural labour etc. Before carrying out the actual census in 1977 a number of pretext survey and a Pilot Census were conducted in various parts in the country during 1975 and 1976.

Processing of the census questionnaires was itself a huge task. This required preparation of data inputs involving punching of an equivalent of 15 million punch cards and getting these verified. The tapes containing the basic information were then intensively edited and checked for inconsistencies and inaccuracies arising out of either faulty field work or manual punching. The programming for editing as well as preparation of tables were thoroughly checked at the stage of the Pilot Census and were found to be quite suitable. Actual tabulation of the census data was carried out only after it was ensured that the basic inputs were free from any defects. The tables were prepared separately for each thana and then combined for subdivisions districts divisions and the country. The computer printouts of the results ran to about 30,000 pages.

Several problems mainly relating to supplies and the computer hardware were faced in data processing. About 3,000 tapes were required for preparing the inputs and their timely imports presented several difficulties. The computer hardware was old and to obtain the required spare parts in time was not always easy. Frequent power failures and voltage fluctuations also added to the difficulties in preparing the tables according to schedules.

The preliminary results of the census are presented in three annexures. Annexure I contains summary data annexure II contains data on various crops and annexure III contains comparison between 1977 and 1960 census results in respect of some major characteristics. A brief analysis of the results is presented below.

Type, Size and Distribution of Holding: The total number of agricultural holdings is estimated at 68.53 lakh consisting of 9.13% (62.57 lakh) farm holdings and 8.7% (5.95 lakh) livestock holdings. The farm holdings have been classified into 3 groups, namely, (a) Small holdings (holdings under [figures and words indistinct] (b) Medium holdings (figures indistinct) acres and under 7.5 acres) and (c) large holdings (7.5 acres and above). Half (49.7%) of the farm holdings is small holdings followed by 40.8% medium holdings and 9.4% large holdings. Within the group of small holdings the marginal holding (holding under 0.5 acre) constitutes 5.5% of the total farm holding. The operated area of farm holdings is estimated at 219.59 lakh acres out of which 18.7% is covered by small holdings 48.9% by medium holdings and 32.4% by large holdings.

In comparison with 1960 the number of agricultural holdings has increased by 6%. As regards farm holdings their number has increased by 1.9% and their area by only 1.1%. By size of holding the number of small holdings has decreased by 1.8% but their area has increased by 16.6% and the number of medium holdings has increased by 10.5% and their area by 8.2%. As for large holdings their number as well as area have gone down by 10.1% and 14.1% respectively. As regards the marginal holding (holding under 0.5 acre) their number widely differs with that of 1960. As against 8.03 lakh in 1960 their number is estimated at 3.42 lakh in 1977. This wide difference [as published] in the

number of marginal holdings is due to variation in the concepts of holdings adopted in 1960 and 1977. The 1977 concept of a farm holding was much stricter. Leaving out the marginal holdings the total number of farm holdings is estimated at 59.15 lakh as against 53.37 lakh in 1960. The 1977 figure is 10.1% higher than that of 1960.

The average size of farm holding has remained unchanged at 3.5 acres. The average size of fragment is 0.4 acres and the average number of fragments per holding is 9.6.

Tenure: By tenure the number of power holdings is estimated at 36.46 lakh i.e. 58.3% of the total farm holdings and their operated area is 122.86 lakh acres i.e. 55.9% of the total farm area. The number of tenant holding is only 35 thousand (0.5%) having an operated area of 0.89 lakh acres. As regards owner-cum-tenant holdings their number is 25.75 lakh i.e., 41.2% of the total farm holdings and their area is 95.85 lakh acres. As compared to 1960 the number of own [word illegible] holdings has slightly decreased by 2.3% but their operated area has increased by 5.4%. Both the number and area of tenant holdings have decreased by 64.6% and [number illegible] during the period from [words illegible]. The number of owner-cum-tenant holdings has recorded an increase of 11.6% and their area by 2.5%. The total owned area (area owned by owner farmers and owner-cum-tenant farmers) which constitutes 83.2% of the total farm area has increased by 2.8% to 182.79 lakh acres. The total rented area is 36.81 lakh acres i.e. 16.8% of the total farm area. It is lower than that of 1960 by 6.7%.

Land Utilization: The cultivated area is estimated at 194.80 lakh acres. It constitutes 88.7% of the total farm area and is slightly larger than that of 1960 by 1.8%. The uncultivated area is 24.80 lakh acres which constitutes 11.3% of the total farm area and is smaller than that of 1960 by 4.2%. Out of the uncultivated area 10.8% is cultivable waste and the remaining 89.2% (22.11 lakh acres) is covered by homestead ponds tanks bamboo forests etc. The current fallow has decreased by 3.7% to 3.01 lakh acres. While the net area under temporary crops has increased by 2.1% to 187.66 lakh acres the area under permanent crops has gone down by 12.4% to 4.13 lakh acres.

Cropping Intensity: The total gross cropped area has increased by 13.5% to 316.45 lakh acres. The net sown area has slightly increased by 1.8% to 191.79 lakh acres. The cropping intensity is 165% as against 147.9% in 1960. By size of holdings the cropping intensity of the marginal holdings is the highest and it is 192.4%. The cropping intensity of the small farmers group as a whole is 181.4% and that of medium and large farmers is 167.4% and 151.9% respectively.

BANGLADESH

JAPAN TO ASSIST IN FARMING EQUIPMENT PURCHASES

Dacca THE BANGLADESH OBSERVER in English 22 Jan 81 p 1

[Text] Japan will provide Bangladesh 1.5 billion yen (about Taka 10.66 crore) as grant for the procurement of low lift pumps and other agricultural equipment under notes exchanged in Dacca on Wednesday between the two countries, reports BSS.

The Japanese assistance, being given under agricultural input programme, will be utilised by Bangladesh Agricultural Development Corporation for purchasing engines for low lift pumps to implement irrigation projects. The grant is tied and will have to be disbursed within January 21, 1982.

Mr A.H.A. Muhith, Secretary, External Resources, Division Ministry of Finance, and Mr Hirohiko Otsuka Japanese Ambassador to Bangladesh signed the notes on behalf of their governments.

Bangladesh received an equal amount (1.5 billion yen) of grant from Japan for procurement of shallow tube-well materials under the second Kennedy round grant programme extended to developing countries to increase food production.

The Japanese ambassador expressed hope the equipment, to be procured with the grant would contribute to the canal digging programme launched by President Ziaur Rahman. Mr Muhith said in general Japan's aid programme in Bangladesh was growing substantially, particularly in the agricultural sector it was growing very rapidly, he added.

Two more agreements for commodity assistance and debt relief grant are expected to be signed between the two countries next month, before the end of Japanese financial year.

CSO: 4220

EXPERT EXAMINES PROBLEMS OF GAS EXPLOITATION

Dacca THE BANGLADESH TIMES in English 18 Jan 81 pp 7, 9

[Article by A. H. A. Muhith, secretary, External Resources Division, Ministry of Finance]

[Text] Energy sustains human life and, therefore energy crisis is a crisis of survival. The biological need for energy is about 100 watts per day per capita or 2064 Kilo-calories. Of course, as man becomes more civilised and life becomes more sophisticated energy demand goes up. In the US today per capita requirement of energy is 12,500 watts per day or 257,000 kcal.

We have now faced an energy crisis and this is because fossil fuel on which we so largely depend is getting exhausted. When man learnt to harness fossil fuel for his energy needs his consumption of energy went up dramatically. In 1859 when in Titusville drilling for oil began, a revolution took place in harnessing hydro-carbon resources for human welfare. However, consumption of energy went up phenomenally only after the Second World War. In 1925 the total consumption in the world was 44,000 trillion BTU in 1950 it was 76,823 trillion BTU and in 1975 it went up to 265,000 trillion BTU. Today dependence of the world on fossil fuel is around 88 per cent and oil and gas meet a little over 42 per cent and 20 per cent respectively of the energy demand of the world. The energy crisis really means a shift from the dependence on fossil fuel to some other source of energy.

Nuclear fission will surely supply a larger portion of energy demand during the next two decades. In 1978 it barely supplied six per cent of the total energy consumption, but by the end of the decade it is expected to provide over 25 per cent of the world demand. There were 315 nuclear reactors in 1978 and presently there are another 231 under construction and 131 under planning. Coal is expected to recover significantly and may provide instead of 25 per cent of the energy supply in 1980 about 30 per cent in 1990 A.D. Coal production in the seventies increased annually by about three per cent as against--0.7 per cent in the sixties (upto 1973). [as published] Break-through in solar energy can be expected in the first quarter of the twenty-first century. It is not a wild dream anymore to think of an era of hydrogen based transportation system in substitution of the petroleum based system. Since the beginning of life man has passed through one crisis after another in the field of energy. The conquest of larger and larger fraction of the radiant energy has kept the human specie always pre-occupied. The problem now is how to find new ways for the conquest of the same energy resources.

It is generally admitted that there is a great deal of waste in energy use now. Also there is enormous disparity in energy use between countries and societies. Per capita consumption in USA is 257,000 kcal while in India it is 4,364 kcal and in India it is 4,364 kcal and kcal. [as published] The world average is about 43,647 kcal. It is true that energy needs differ according to lifestyle and climate of countries. Sweden used about 49 per cent of energy used in USA per capita or Switzerland uses only 31 per cent even though the standard of living in both Sweden and Switzerland is perhaps a shade better than that in USA. It is, therefore, considered that average consumption of energy per capita on a global basis can be reduced without causing a decline in the standard of living of rich people and at the same time bringing about some improvement for the people of poor countries. An ideal energy consumption budget is presented as follows:

Total consumption by a person 30,600 kilocalories = 4.8 Kg of coal a day.

Food	6,200 Kcal
Housing	6,200 "
Clothing	2,085 "
Transportation	4,130 "
Recreation	<u>12,400 "</u>
	30,600 "

In a poor country the last item will account for lesser consumption but other items providing for only basic needs warrant a similar level of consumption.

Bangladesh has one of the lowest levels of energy consumption. Per capita consumption of only 2,484 kilo-calories means only one third of a kilogram of coal per day and about half the consumption level of India. To reach the ideal level of energy consumption as indicated earlier, Bangladesh has to increase its consumption by about 15 times. Under the best of assumptions it will be a matter of thirty years if not more. It is possible that in the next ten years energy consumption will quadruple but then the growth rate will not be that spectacular. Presently commercial energy accounts for only 26 per cent of the total energy consumed in the country. Of commercial energy supply natural gas accounts for about one fourth. Thus if the entire commercial energy need of the country is to be met by gas we shall require daily consumption of 520 mmcfd. Even though economic use of energy resources should be our objective it will be necessary to harness new energy sources at a very fast pace at least in the foreseeable future.

Bangladesh is generally credited with the three resources; namely, man, land and hydrocarbon. While a great deal of attention is paid to land and man, hydrocarbon resources have generally been neglected. Even though the first find of gas dates back to early fifties we have neither explored extensively nor exploited the known resources sufficiently. Our survey of geophysical conditions is inadequate, appraisal of known gas fields is rudimentary and exploration activities are rather nominal. We are using only about 130 mmcfd. for power generation, fertiliser production and some limited industrial and domestic use. Even though we have not carried out much of exploration or appraisal work, our known reserves will last our current consumption level for 220 years. Our drilling programme has hardly provided for one well a year. The lack of effort can be judged only by comparison with what is happening elsewhere. In 1979 USA drilled 23,606 wells. In 1980 Burma is drilling 36 wells, the Philippines 30 wells, India 131 wells and Brazil some 400 wells.

We have a lot of controversy on our known recoverable reserves and the time span for its utilisation. Known recoverable reserves have three elements viz., proven, probable and possible. Proven refers to assessment made on the basis of actual drilling of holes. Probable and possible relate to the structure where some drilling has been carried out and reserves have been found to exist. Since in Bangladesh actual drilling has been very limited the proven reserve is placed at 4.54 trillion cft. and probable and possible reserves are calculated at 50 per cent and 25 per cent of estimated reserves. Such a conservative calculation gives an estimate of 10 trillion cft of recoverable reserves. This same methodology is followed globally and we find the global estimate of reserves at 2,484 trillion cft as of 1979. Global consumption of gas is at a level of less than three per cent of the reserves per year. In Bangladesh as against the recoverable reserve of 10 trillion the annual consumption now is 43,893 mms of i.e. only .0049 per cent of the recoverable reserve. While globale reserve at the present rate of utilisation will be exhausted in 34 years, Bangladesh reserve at our present consumption rate will be exhausted in 220 years. [as published] It is possible that our known recoverable reserves are higher but that we can find out only by carrying out a vigorous drilling and appraisal programme. It is also necessary that our consumption of gas is substantially increased which in its turn will mean that our deposits will not last us for a long time unless we can find new gas fields.

We can visualise the following scenario with regard to energy consumption. By 1985 let us assume that gas will supply 50 per cent of commercial fuel need in the country. By that time per capita consumption will double. So in terms of gas daily consumption will be 1200 mcf and natural gas will provide half of it. Annual consumption in 1985 will be 219000 mcf as against the current consumption of 43893 mcf. By 1990 if we assume another doubling of energy consumption per capita then total energy consumption will be 976680 mcf of gas. If gas meets two third of the needs annual consumption will reach a level of 650,000 mcft. [as published] In another ten years there should be a further doubling of energy consumption per capita which will mean annual consumption of about 2.3 trillion cft of gas. If natural gas meets three fourths of the commercial energy demand in the year 2000, gas consumption will be 1.7 trillion cft. Thereafter another doubling of energy consumption per capita in ten years will provide for a reasonable level of energy consumption and this will mean a consumption level of 2 trillion cft of gas in 2004 and three trillion in 2009 assuming that 75 per cent of commercial energy will be supplied by natural gas.

It must be understood clearly that gas consumption cannot be increased overnight. Gas pipeline building is time consuming and pipeline cannot be economically taken to every nook and corner of the country. Even power generators of the size that is economic for the country now cannot be installed overnight and thus gas cannot momentarily be converted into electricity. Gas based industries whether it is urea fertiliser or methanol or pvc, or gas intensive industries like paper and pulp or sponge iron are long gestation projects. Therefore, increased consumption of gas is likely to pick up after about a couple of years and downstream projects have to be planned and scheduled now. In the three years upto 1983 gas consumption will increase nominally and then in the next two years it is likely to double each year. [as published] For the following five years we can assume annual increase in consumption by around 70,000 mcf. By 1990, therefore, the cumulative total consumption of gas is likely to be 3 trillion cft. This will be quite an achievement in as much as the total consumption upto 1980 is only .033 trillion cft. [as published]

But then in another ten years additional 10 trillion cft will be required followed by a need for 20 trillion cft in the first decade of the twentyfirst century. [as published] Bangladesh plan for gas utilisation should have a span of thirty years. The existing reserves will carry us upto 1998 according to the scenario contemplated here. [as published]

Bangladesh is a very poor country where 86 per cent of the population lives below the poverty line. Our stock of capital assets is very limited and management of existing stock specially land is in poor shape. We are required to invest heavily to improve the productive capacity of the existing stock as also add to productive capacity. The demographic investment alone has to be about Tk 1200 crore. This is required to maintain the standard of living of the growing population at a static level [word illegible] to prevent deterioration in availability of goods and services per capita.

In our Second Five Year Plan we have suggested that we should try to reach a development outlay of Tk. 2569 crore out of which Tk. 1607 crore will be external aid. It is pertinent to note that if we assume a modest inflation rate this outlay will really become Tk. 3720 crore. In the past our domestic resources have hardly contributed to development outlay while external assistance has accounted for [number illegible] per cent of GDP. For the Second Plan we are giving very tall orders--domestic resource mobilisation of enormous magnitude and an accelerated flow of external assistance. [as published] But this is badly needed. We have drawn up a Tk 7000 crore programme for crop production that will produce only 20 million tons of foodgrains. Better utilisation of land will make the best use of manpower. More mandays will be needed for better agricultural practices. Men will be employed in massive works programme. Simultaneously education and training of human resource will be required and capital i e tools and machines--will have to be provided to people to make them productive. These compulsions demand massive investment and ambitious targets.

Unless resources are found not only that development process will stagnate but also the fabric of the society will be brutally shattered. With about 40 per cent of the labour force unemployed, around 50 per cent of the rural people rendered landless, about 2 million new mouths demanding food clothing and shelter each year, over 80 per cent of the people remaining illiterate and a similar proportion suffering from malnutrition and ill health, the threat of social upheaval cannot be brushed aside. Malthus really may be in action in this country--this stark reality cannot be neglected. [as published] The question is how quickly we can stem the tide of deterioration in living conditions. We are in a desperate race against time.

If we are to survive as a nation we have to take gigantic strides in a short period of twenty years. We must increase our GDP by about five times. We must reduce population growth rate to about 1 per cent. We must accelerate our development outlay by about ten times. In 1979-80 development outlay in the public and private sectors is estimated at Tk. 2500 crore out of which aid flow accounted for about Tk. 2000 crore. In 2000 AD development outlay is expected to be Tk. 25000 crore with aid flow accounting for only Tk. 8500 core in constant price. [as published]

This is the kind of transformation that is required in Bangladesh to sustain social order and stability.

Where are we to find the necessary resources for investment? We cannot generate it from within the economy as it is organised presently. We do mobilise a great deal of resources from abroad but that is not sufficient for massive investment. Also dependence on external resources tends to inhibit freedom of choice in investment at least in its timing as also in the choice of technology and design. [as published] We have to use every resource at our disposal to find immediate funds for investment. The use of hydrocarbon resources must be considered in this context. Even for essential exploration and exploitation of gas we need massive investments. For drilling a well we need about 5 million dollar, for building a pipeline we need between about 2 million dollar per mile. In the next ten years for our own use we need about 3 trillion cft of gas. Is it work while to use some more gas in this period to generate resources for development? [as published]

What is the best way to obtain investible resources from gas? [as published] Establishing gas based industries and selling their products is by far the best choice provided such industries can be set up and their products marketed. A half a million ton urea plant takes about four years to set up at a cost of 450 million dollar. It consumes about 18000 mcf of gas per year. [as published] Urea fertilizer has a market perhaps for a million tons. Bangladesh is expected to produce about 15 million tons for domestic consumption by 1986 and another half a million tons for export. During the next fifteen years it would be necessary to have four more plants of half a million tons capacity each to meet replacement needs, increased domestic demand and the export target. In this decade annual demand for gas from the fertilizer industry will be 36000 mcf upto 1985 72000 mcf thereafter. [as published] For the next decade it will be 130,000 mcf. For the two Chittagong plants now under consideration about 1 billion dollar of investment is needed and then 2 billion dollar more will be needed.

Methanol is another gas based product with market potential. A 600,000 tons plant costs about 250 million dollar and takes four years for construction and needs gas supply of 25000 mcf per year. A methanol plant may be considered for the third plan period if marketing arrangements can be firmed up.

Acetylene plants based on gas is going out of fashion. [as published] Out of 44 such plants so far established only 8 are operating. The ethylene route based on petroleum crude products is more economic and efficient. Ethylene, however, must be produced in substantial quantities and should be used for various end products. [as published] Acetylene, however, can be produced in a smaller scale and its end products are limited, PVC PVA and PAVN. An acetylene plant of 20000 tons can be planned for Bangladesh which will need 100,000 mcft of gas per year and an investment of 100 million dollar or so.

LNG is an important operation. Here two points are very important, namely the investment is heavy for the complex cycle of LNG conversion, transportation and regasification. [as published] Secondly, the dedication of gas has to be substantial, about 150,000 mcf. per year; otherwise the effort is not economic. Currently an LNG plant may cost about 1.5 billion dollar and demand a minimum dedication of 3 trillion cft for its lifetime. Above all, LNG is an option only when there is a market. Oil producers who have to [word illegible] gas find it worthwhile to go for LNG plants, since the well-head price has to be reasonable to take on the costs of conversion and reconversion and yet be acceptable to the users. LNG operation will also take about four years to mature.

The last option is direct sale of gas to a willing buyer through pipeline. Only the cost of pipeline has to be added to the well head cost for sale to the ultimate users. Also it takes a much shorter period to mature. Another advantage of this option is that the pipeline can be built in such a way as to provide for supplies to domestic market en route at marginal additional cost. Pipeline supply also must cater for long term dedication of gas to enable amortisation of the cost of the pipeline.

In all these options the most important consideration should be the well-head price of gas. Urea methanol, PVC or LNG--in all of these investments enterprises will buy gas from the government. After that foreign exchange and taxes will come to the government but profits will be pocketed by the enterprises. And these enterprises are more likely to be of foreign than of local origin. The ideal price should be equivalent to crude oil price. But then this is the most important item of negotiation. The final decision will depend on availability of market competitiveness of sources of supply to the end users and availability or scarcity of investible funds for making the gas usable. [as published]

In conclusion it can be said that

- (1) Our attention to exploration and exploitation of hydrocarbon resources should be much greater.
- (2) We should have an ambitious drilling and appraisal programme for which resources should be generated.
- (3) We should progressively reduce dependence on imported fuel by using indigenous supplies and make the necessary investment for this purpose.
- (4) We have to increase our century providing fairly rapidly and this means that resources have to be marshalled for investment in agriculture, manpower training and planning and other production processes.
- (5) We can reasonably assume that our known gas reserves will last us till the end of the century providing for export of about a million tons of urea as well. [as published]
- (6) We should consider generating resources by using gas in the short-run in any manner that market conditions and availability of investment capital permit provided gas price is reasonable. We should in this context consider all options purely on the basis of good and quick return.

CSO: 4220

BANGLADESH

JAPANESE DIET TEAM ARRIVES IN BANGLADESH

Dacca THE BANGLADESH OBSERVER in English 19 Jan 81 p 12

[Text] A six member delegation of the Japanese House of Representatives arrived in Dacca on Sunday on a six day good will cum familiarization visit to Bangladesh, reports BSS.

Its leader Mr. Kazuo Shionoya told newsmen at the airport that the Diet (Parliament) members will hold discussions with the Bangladesh leaders to known what "we can do" for this country. [as published]

This is the first Japanese parliamentary team in Dacca. It includes members from the ruling Liberal Democratic Party (LDP) and three other parties.

Mr. Shionoya said, "We want a frank communication through discussion and to share our nation building experience in your endeavour for nation building task". He said, "We are looking forward to exchanging views on various matters with Bangladesh Members of Parliament.

The leader of the delegation said Mr. Haya Akawa, MP and President of Japan-Bangladesh Friendship Society, through his several visits to Bangladesh has made significant advancement in the relations between the two countries. He said their present visit would further promote the existing ties of friendship between Bangladesh and Japan.

The delegation, during its stay in the country, will also visit Comilla and Chittagong to see the projects and factories being built with Japanese assistance.

Mrs. Farida Rahman, Whip of Jatiyo Sangsad, Mr. Justice T. H. Khan, MP Mr. Khandaker Abdul Hamid MP, Mr. A. S. M. Solaiman and Mr. Nur Mohammad Khan MP were present at the airport to receive the Japanese parliamentarians.

CSO: 4220

BANGLADESH

BRIEFS

AWAMI LEADER DIES--Gazi Golam Mostafa, a prominent leader of the Bangladesh Awami League (Malek), and his wife Kamrunnahar Gazi were killed in a car accident at Mathura, 25 miles away from Delhi on Saturday evening. He was 51. Gazi Golam Mostafa and his wife Kamrunnahar Gazi went to India on January 9 to visit the holy shrine of Hazrat Khawaja Mainuddin Chisti (R) in Ajmir Sharif. The car accident took place while they were returning to Delhi from Ajmir. Another person whose identity was not known immediately was also killed. The late Awami League leader began his career in politics as one of the closest associates of Sheikh Mujibur Rahman in early 50s. Before the liberation of Bangladesh he was the General Secretary of the Awami League Dacca city unit. He was elected a Member of Parliament from Dacca city in the general election held in 1970 and 1973. He was Chairman of the Bangladesh Red Cross Society in 1972. He was nominated a member in the 15 member central executive committee of BAKSAL and was made Secretary of Dacca City BAKSAL. [Excerpt] [Dacca THE BANGLADESH OBSERVER in English 19 Jan 81 pp 1, 12]

CHITTAGONG HILLS DEVELOPMENT--Rangamati, Jan 18:--Prime Minister Shah Azizur Rahman today said that the Government was deeply concerned with the overall development of Chittagong Hill Tracts, reports BSS. He was addressing a big public meeting on the occasion of the inauguration of the Swarashila Exhibition, 81 of Rangamati. The Prime Minister said the Hill Tracts area has vast resources which should be harnessed and marketing facilities for them should be provided. He said the Chittagong Hill Tracts Development Board had already completed implementation of 300 projects at a cost of Taka 12 crore. A network of roads connecting six subdivisions and 24 thanas of the district has been undertaken and some of them are nearing completion, he added. [as published] Shah Aziz said the telecommunication system had also been established and the pace of rural electrification was accelerated. [Text] [Dacca THE BANGLADESH OBSERVER in English 19 Jan 81 p 1]

GAS PROJECT FUNDING--A banking arrangement was signed in the Head Office of Agrani Bank recently between Agrani Bank and Bank of Tokyo Ltd. to handle 6.6 Billion Yen Japanese Credit extended to Bangladesh for execution of Bakrabad Gas Field Development Project through Bakrabad Gas System Ltd., a subsidiary of Petro Bangla, says a Press release. The amount of 6.6 Billion Yen will be utilised for drilling of 4 New deviated Gas Well and work-over of the existing exploratory Well BK-1 in Bakrabad Gas field. The gas field gathering facilities for De-Hydration and separation of liquid hydrocarbons will also be financed out of the said credit. Mr. Kazi Mesbahuddin Ahmed, General Manager, Agrani Bank and Mr. Eiji Natsume, Senior Regional Manager, the Bank of Tokyo Ltd., Tokyo signed the agreement on behalf of their respective Banks. [Text] [Dacca THE BANGLADESH OBSERVER in English 19 Jan 81 p 3]

FOOD WAREHOUSE CONSTRUCTION--The Government have constructed 23 food godowns with attached facilities in the country under Japanese assistance. The total cost of the godowns is about Taka 12 crore, according to an official handout in Dacca on Wednesday, reports BSS. Each godown has a storage capacity of one thousand tons. Of these godowns, 13 have been constructed at Boyra (Khulna) and five each at Santahar (Bogra) and Halishahar (Chittagong). The construction work has been completed before the scheduled time by a Japanese construction firm under an agreement signed in November 1979. Mr A.Z. Khan Joint Secretary, Ministry of Food, on Wednesday formally received the godowns from the representatives of the firm. Earlier, another 15 godowns were constructed. Twelve more godowns--six each at Tajgaon and Santahar--are now under construction. On completion of these 12 godowns the total number of godowns constructed under Japanese assistance will be 50 with total storage capacity of 50 thousand tons. [Text] [Dacca THE BANGLADESH OBSERVER in English 22 Jan 81 pp 1, 8]

GAS PROJECT FINANCING--Agrani Bank and Bank of Tokyo Ltd signed agreement to handle 6.6 billion yen Japanese credit extended to the government of Bangladesh for execution of Bakrabad gas field development project through Bakrabad gas systems. The amount of the credit will be utilised for drilling of a four new deviated gas well and completion of work of existing exploratory well BK-1 in Bakrabad gas field. The gas field gathering facilities for dehydration and separation of liquid hydrocarbons will also be financed our of the credit. Kazi Mesbahuddin Ahmed General Manager Agrani Bank and EIJI Natsume, senior regional manager of the bank of Tokyo signed the agreement on behalf of the their respective banks. [as published] [Text] [Dacca THE BANGLADESH TIMES in English 17 Jan 81 p 8]

CSO: 4220

GANDHI TELLS BUSINESSMEN 1981 A 'YEAR OF TRIAL'

Bombay THE TIMES OF INDIA in English 14 Jan 81 pp 1, 9

[Text]

THE Prime Minister, Mrs. Indira Gandhi said in Bombay today that 1981 would be "a year of trial" for all sections of the nation.

"Discipline, hard work and self-restraint" should be the watchword. If that was forthcoming, we should be able to cross the hump, she observed.

Addressing a gathering of businessmen and industrialists under the auspices of the Indian Merchants' Chamber, and other chambers called on trade and industry, farmers and labour to restrain themselves in advancing and pursuing their sectional interests in the present difficult situation to ensure smooth economic progress.

She wanted the nation to re-dedicate itself to the values of hard work, discipline and the pursuit of clearly perceived objectives of economic growth with justice.

Continuing what she termed her "dialogue" with trade and industry which she had started recently in Calcutta, the Prime Minister said it was essential to raise production in the farms and factories. Lock-outs, strikes and go-slow had to be avoided. Idle capacities must be fully utilised and new investments brought to production without slippage.

Mrs. Gandhi said the public sector should be a pace-setter in improving the efficiency of the economy. "Efficient functioning of this sector", she stressed, "can make a great contribution to the welfare of the nation."

"I call upon the workers and managers in the Railways, post, telephones and other industrial units in the public sector to set an example to the rest of the economy by raising productive and improving capacity utilisation and project implementation."

Referring to the various constraints faced by the economy, including those arising from continuing increases in petroleum oil prices abroad, she stressed the need to maintain the tempo of

revival of the economy which has taken place in recent months and build upon it.

It is said that those who neglect tomorrow are condemned to repeat the mistakes of yesterday, Mrs. Gandhi observed. The persons who were called upon to shoulder the responsibility of government during 1977-79 were busy rushing into the past and hence had no time or inclination to think of the future.

INDUSTRIAL TRUCK

"The results was a three-year industrial holiday. It was not standstill but stand-down." Production languished, investment and productivity slumped in the key sectors. Even the normal maintenance of power plants, rolling stock etc. was neglected. Added to that, we had widespread drought in several parts of the country.

That was the index of the morass that we were in when our government took office, she said. People expected miracles and instant remedies to all the maladies that had plagued the economy.

Mrs. Gandhi stated that the government realised the importance of the task and initiated steps to get the country's infrastructure moving as soon as practicable.

"There is no short cut to hard work and investment and no substitute for determination." With steady application and the co-operation of managerial leaders and the rank and file of labour, "we have got things moving."

She stated that by the end of December, 1980, the annual inflation rate was brought down to about 13 per cent as against 22 per cent at the end of 1979. "The expansion in money supply is well under control." Key infrastructure sectors had shown a marked improvement. Thermal and hydro power generation had over the last two months registered an increase of 30 per cent as compared to the corresponding period a year ago. Coal production during April-October, 1980 showed an increase of 8 per cent.

In the railways also, there was a distinct improvement. Industrial pro-

duction, which was stagnating until September, 1980, had started rising and Agricultural production was expected to increase substantially.

"We have simplified procedures and liberalised industrial policies to promote investment and activity in the key industries and exports." The government had also looked into the genuine problems of labour, she said.

Referring to the comments about her observation in Calcutta that industry had not adequately responded to the government's initiatives to promote investment, Mrs. Gandhi said: "I do not underestimate the difficulties of trade and industry. I would be the last person to claim that we in the government have brought about a total change in bureaucratic attitudes and methods of work." However, "we are earnest about change, and set about the task seriously," he said.

Mrs. Gandhi told when some segments of industry talked about difficulties, they seemed to be referring only to difficulties in securing more public funds and credit for the activities of their own particular sectors. "Industry must have its share of public funds. But what about the requirements of our rural community, particularly the small and marginal farmers, and agricultural labourers and artisans?"

She said "Do not small traders and tiny and small industrialists also have needs? Can total growth which also helps industry to grow, be promoted without increase in demand and markets?"

Mrs. Gandhi pressed the need to stimulate the purchasing power of large masses of our people. That could not be achieved if there was little or no contribution or sacrifice by the more organised sectors of the nation. It was not unreasonable to advocate ploughing back resources or sharing of prosperity with the consumer.

She said progressive entrepreneurs admitted privately that they must avoid excessive drawal of credit or building up inventory or non-productive assets. Siphoning off of resources through profit or the less desirable devices of accounting were not always conducive

the trade and industry. We await increase in private investment. We have improved infrastructure and also offered fiscal reliefs. Now with the finalisation of the Sixth Plan, the development programmes in the public sector would be accelerated and their benefit should percolate to the private sector."

Mrs Gandhi said: "Notwithstanding the scepticism of the Right-wing of so-called leftists and rightists, we have made a mixed economy work in the country."

Referring to laudable work being done by organisations like the Indian Merchants' Chamber, Mrs. Gandhi said these organisations had a responsibility to ensure that welfare reached upto the last. "Every concession asked by you should be weighed carefully in the scales of social justice. Every projects should promote essential consumption. Every collaboration should lead ultimately to greater know-how and self-reliance."

She said those who had done well in industry should now do their bit to help newcomers and the smaller entrepreneurs. "I want industry to develop

greater understanding of the problems of the rural areas, particularly those of farmers."

She noted that some industrial houses had adopted new and commendable programmes of involvement with the countryside.

Mrs. Gandhi said that the agitational agitate organise organised by the richer farmers had harmed the cause of farming and obscured the essential problems of agriculture. "We are making genuine efforts to alleviate the distress of small farmers. Industry must also do its share."

She pointed out that "there are too many tiers of middlemen between producer and consumer. Farmers as a community feel they have been exploited. They want to have their own organisations with a vertical and horizontal integration of all activities including experts."

It was time that trade and industry organisations which had well established links with cotton farming and other agricultural occupations, removed the communication gap with agriculturists.

Stressing the need for greater understanding between labour and management, she said: "Bombay's claim to be

'enlightened approach is no longer as convincing as it used to be."

Mrs. Gandhi said: "We are today in the midst of a major global crisis." To the earlier threat of nuclear warfare, or confrontation between the United States, Soviet Union and China, or north-south differences that trouble the people of the world had now been added problems of energy and environment.

Future investments should be nearer the areas of consumption. There was also need to explore solar energy, she said.

In his welcome speech, Mr. J. N. Guider, president of the Indian Merchants' Chamber, said for new investment to come forth projects had to be economically viable. That was particularly true of industries which were subject to price control. He appealed to the Prime Minister that controls, which might have been valid when they were imposed, needed to be carefully reviewed apropes their continuing usefulness.

He also wanted removal of constraints for helping revival of investment. He stressed the need for a radical change in the depreciation laws in order that investment activity became buoyant again.

JAMMU, KASHMIR PARTY ALIGNMENT DESCRIBED

New Delhi PATRIOT in English 14 Jan 81 p 4

[Text] Jammu Tawi, Jan 13--Congress-I has today emerged as a single and only recognised opposition group in the 78-member Jammu and Kashmir State Assembly when secretary of State unit of Lok Dal and its leader in State Assembly Tulsi Ram announce his decision to defect from his party to join Congress-I here today. [as published]

With joining of Mr Tulsi Ram today and former Speaker of State Assembly Malik Mohiuddin and one of the Ministers of State of Chief Minister Sheikh Abdullah's Council of Ministers Mian Bashir Ahmad defecting from National Conference a month back to Cong-I total strength of Opposition Cong-I Legislature Party has risen to 11 from eight members.

Next to Cong-I is 10-member Janata Party group. It lost its status of being a recognised Opposition group in State Assembly when its leader Abdul Gani Lone and three other members Tulsi Ram Narayan Dass and Gurbachan Kumari last year defected from it and either remained as independent members or joined some other parties.

Meanwhile announcing his decision to join Cong-I Legislature Party at a press conference Mr Tulsi Ram said that he could not be unseated from membership of the State Assembly under State anti-Defection Law because when this law was enforced in the State he had already defected from Janata Party as whose candidate he was elected to the House. Though after joining Lok Dal he was elected leader of Lok Dal Legislature group which had nominal strength in the House therefore we were officially treated as only independent members in the House'. [as published]

Giving his reasons to join Congress-I, Mr Tulsi Ram said 'growing authoritarianism of Sheikh Abdullah's ruling National Conference and its alliance with rank communal forces represented by RSS and a Bharatiya Janata Party pose a serious danger to our democratic and secular way of life'. He felt that Cong-I was the only party which could face this challenge to maintain secular and democratic traditions.

Claiming to be a farmer and scheduled caste Mr Tulsi Ram alleged that the State Government had adopted stepmotherly treatment to these sections of society.

CSO: 4220

JAMMU, KASHMIR ANTIDEFLECTION ACT INEFFECTUAL

New Delhi PATRIOT in English 20 Jan 81 p 4

[Text] Jammu, Jan. 19. The Anti-Defection Act, enforced in this State 16 months ago, has proved to be a measure without teeth. Far from deterring floor-crossing by legislators, which the Act was intended to do, the Act is being observed more in its breach.

Three MLAs have defected with impunity during this period. Two writ petitions in this regard, are pending in the State High Court.

Apart from producing the reverse effect, the Anti-Defection Act has also created a lot of confusion in respect of identification of political affiliation of the members in legislature. For instance, as many as nine MLAs belonging to the Bharatiya Janata Party are still recognised as members of the erstwhile undivided Janata Party on the floor of the State Assembly. Outside the Assembly they, are active members of the BJP.

The Act does not provide for exemption in case of split in a recognised political party. It prescribes a penalty of disqualification from the legislature for crossing without exemption. However, it is not applicable to independent MLAs and those belonging to the unrecognised groups.

These two defects have also been mentioned among objections stated in the writ petitions against "the enforcement" of this measure.

The ruling National Conference has emerged as the biggest loser and its rival, Cong-I, the gainer in violation of the Act. Former Minister Mian Bashir Ahmed and former Speaker Malik Mohiuddin have defected from the NC to the Cong-I recently while a Lok Dal MLA, Tulsi Ram has also crossed over to the Cong-I raising its strength to 11 in the 79-member Assembly.

Assembly speaker has served show cause notices on Mian Bashir and Malik Mohiuddin under the provisions of the Anti-Defection Act. Both of them have since obtained stay order from the High Court pending disposal of their writ petitions.

Section 70 of J and K constitution stipulates that if the concerned legislators contest the Speaker's show cause notice, their cases shall be referred to the High Court. The High Court is yet to start regular hearing of the two writ petitions admitted last year.

Political critics of this measure have been accusing the concerned legislators contest the Speaker's show cause notice, their cases shall be referred to the High Court. The High Court is yet to start regular hearing of the two writ petitions admitted last year.

Political critics of this measure have been accusing the ruling party of adopting double standards in this matter. Their charge is that the Act was sought to be enforced only after NC had absorbed half a dozen defectors to establish its two-thirds majority in the Assembly and that the spirit of this measure continued to be violated by the ruling party by offering lucrative posts to the defectors from the Opposition. One of the recent defectors was made a Minister while another has replaced Malik Mohiuddin as the Speaker, critics allege.

It is clear that the NC circles are unhappy about the ineffectiveness of this measure, especially in the face of determined Cong-I bid to engineer defections from the ruling party.

CSO: 4220

CONGRESS(I) ANNOUNCED GOA PARTY OFFICIALS

Bombay THE TIMES OF INDIA in English 13 Jan 81 p 1

[Text]

NEW DELHI, January 12: Mrs. Irene Barreto has been chosen ad hoc president of the Goa Dyawas and Des PCC (I) with four vice-presidents, two general secretaries and 34 members of the executive committee.

Mr. Pratap Singh Rane, chief minister, is a member of the executive together with Mrs. Shashikala Kakodkar, former chief minister heading the Maharashtra Gomantak Party. Dr. Wilfred D'Souza and Mr. Pantharam Kakodkar, former Goa PCC presidents, are in the committee. The two MPs from Goa, Mr. Eduardo Falcão and Mrs. S. Raam Esgar, are in the list of members.

TWO GENERAL SECRETARIES

Mr. A. N. Naik MLA and Mr. John Fernandes are the two general

secretaries. Mr. Marink N. P. Zanay is the treasurer. The four vice-presidents are Mrs. Sulochana Kastur, Mr. Luis Provo Barbosa, Mr. Jairisham Sharodkar and Mr. Henrique Dourado, MLA.

The entire list was announced today by Mr. G. K. Moopanar, AIKK(I) general secretary, after the Prime Minister, Mrs. Indira Gandhi, had given her approval.

Nominating the party chief in Goa has posed a fairly time-consuming and taxing problem for the high command in view of the claims backed by various factional leaders. Indeed, the chief minister has been urging the high command for some months now to decide the issue.

CSO: 4220

INDO-BRITISH ECONOMIC COUNCIL MEETS IN DELHI

New Delhi PATRIOT in English 20 Jan 81 p 5

[Text] India on Monday pressed for early creation of a trade promotion fund to help its marketing efforts with the United Kingdom, reports UNI.

Addressing the first plenary session of the fourth meeting of the Indo-British Economic Committee (IBEC) in New Delhi, Commerce Minister Pranab Mukherjee said the proposal for the creation of this fund had emerged from the deliberations of a meeting convened by the British Government in December 1978.

Describing the proposal as a "concrete measure" which would help India's marketing efforts, Mr Mukherjee said that detailed modalities of this proposal could be worked out by officials in the sub-committees' deliberations and a final proposal could be taken up at the next plenary session two days' later.

The Indo-British Economic Committee with its two subcommittees--one on economic relations and the other on industrial cooperation--had been set up through an exchange of letters in 1976 to fill the vacuum created by the termination of the Indo-UK trade agreement of 1939 and to give a new impetus to the promotion of Indo-UK economic relations.

Recession

The British delegation to the meeting is led by Mr John Biffen, Secretary of State for Trade, and the Indian side by Mr Pranab Mukherjee.

Mr Mukherjee referred to the inflation and industrial recession all over the world particularly during the past one year and said although the developed countries like UK had also suffered from the crisis, the problems facing the developing countries like India were much more serious and qualitatively different as they threatened to endanger the efforts to provide even the basic human necessities of the people.

"A situation like this calls for sharing of the burden by the countries who have the technological capabilities and material resources to make the necessary adjustments and help to restore a more balanced and just economic order," he added.

Assurance

Appreciating Britain's commitment to the European Economic Community as its member, Mr Mukherjee pointed out that a joint declaration of intent was issued at the time of Britain's entry to the EEC. The declaration specifically gave an assurance that the interests of Asian Commonwealth countries would be safeguarded in the matter of trade and economic relations following the loss of commonwealth preference. Britain should keep up this promise.

Mr Mukherjee referred to the last meeting of the IBEC held in Delhi and said at that time the British Government had expressed concern over the continuing balance of trade in India's favour.

When the British Prime Minister visited India, a shopping list of items which India could buy from Britain was given. Combined with them, India had also liberalised its import policy. This had resulted not merely a reversal of bilateral balance of trade but also mounting trade deficit for India.

The increase in oil prices and the lack of adequate response from the developed countries which had benefitted from India's trade liberalisation measures had altogether led to a situation where India's external trade deficit had reached staggering proportions. The United Kingdom as a friendly country should appreciate this situation and in the long term interest of both the countries should try to rectify this imbalance in trade.

CSO: 4220

SHEIKH ABDULLAH TO RETIRE BEFORE 1983 ELECTIONS

Madras THE HINDU in English 16 Jan 81 p 1

[Text] Jammu, Jan. 15.

The Jammu and Kashmir Chief Minister Sheikh Abdullah has announced his decision to step down from the Chief Ministership and the presidentship of the ruling National Conference Party.

Talking to newsmen here on Thursday Sheikh Abdullah said he would give up the Chief Ministership before the 1983 elections to the State Legislature. He would relinquish party presidentship by the end of April this year to create room for youngsters. He had conveyed his decisions to the party working committee.

The Sheikh however made it clear that his decision was only because of his old age and weak health and not due to any political pressure. He was now unable to undertake long tours.

He would, however, continue to guide his party and the Government from outside. He sincerely felt that he would be more effective by remaining outside.

In reply to a question he said "I may even retire from Chief Ministership even before the coming elections".

The decision to quit should not be in anyway be construed as his desire to retire from politics, he said. [as published]

PTI reports from Srinagar:

Sheikh Abdullah, has expressed his ignorance about the offer of a berth to him in the Central Cabinet.

Asked to comment on a report to this effect published in a section of the press recently, the Sheikh said some times such news items were published to "know my reaction".

The Shiekh said his successor would be decided by the party. Some people, he added, were "deliberately" naming his son Dr. Faroog Abdullah, MP, and his son-in-law, Mr. Ghulam Mohammad Shah, State Works Minister, "just to create differences in the party".

CSO: 4220

OPPOSITION LEADER SAYS MIDTERM ELECTIONS CERTAIN

Calcutta THE STATESMAN in English 14 Jan 81 p 9

[Text] Raipur, Jan. 13.--A mid-term poll appeared to be a "certainty", Mr Morarji Desai told reporters here today, says PTI. He is here in connexion with the convention of the State unit of the Janata Party.

Mr Desai said his belief in a mid-term poll was based on the extreme "groupism" in the Congress(I) which would prove "fatal" to the party.

"We need not hit them, they are dying by their own in-fighting", he remarked.

Mr Desai said his party would not capitalize on the in-fighting in the Congress-I since his party was against groupism. There was no groupism in Janata. He would, however, not say that it would be free of it.

Mr Desai said there was no question of merger of Janata (S) with Janata. Individual members of that party could join Janata. Those leaders who had left Janata would have to accept their mistakes, he said.

A reporter drew Mr Desai's attention to the Bharatiya Janata Party's resolution on Gandhian socialism. He said he would like to watch their action instead of commenting on it. He wanted all to become Gandhians and if the BJP adopted Gandhism there would be no complaint against it.

'Language of 1975'

Mr Desai stated that Mrs. Gandhi used to say there would be no Emergency for 1,000 years but now she had again resorted to the language of 1975 when she used to talk of internal and external threats. [as published]

Mr Desai claimed that when he was quitting the Prime Ministership the Akalis and the CPI wanted a price. The Akalis wanted an independent radio station while the CPI wanted promulgation of certain ordinances but he refused them and gave up office.

The President's action in removing Governors before the expiry of their term was wrong, Mr Desai said.

A reporter told him that the President had said that he would not be a rubber stamp. Mr Desai said he would not like to comment on the President.

A reporter asked: "Was the action of Mrs Gandhi in rejecting Mr Reddy for the Presidency in 1969 correct?" Mr Desai said the circumstances were different then but he would not like the President to be drawn into any controversy.

Mr Desai opposed a presidential form of Government and said he failed to understand where was the need for introducing it.

Mrs Gandhi had also now said that she did not wish to establish the presidential form of Government, he added.

CSO: 4220

ALL-INDIA COMMUNIST PARTY PLANS MARCH CONVENTION

Bombay THE TIMES OF INDIA in English 16 Jan 81 p 5

[Text] The All-India Communist Party will hold its national convention at Meerut on March 12 and 13.

Mrs. Roza Deshpande, general secretary of the party, told newsmen today that the conference would coincide with the 52nd anniversary of the famous Meerut conspiracy case in which a number of communists were sentenced for alleged attempts to overthrow the British government.

The venue would be named after the late P. C. Joshi and a hall in the premises after the late Shaukat Usmani, both noted communist leaders who figured prominently in the case.

Mr. Baburao Ranadive, party leader, said about 1,300 delegates from all over the country would attend the conference.

Agitation Planned

Mrs. Deshpande said the Maharashtra state party's two-day conference held recently at Karad had decided to launch agitations throughout the state to demand the implementation of progressive policies of the government.

Mr. Shyam Narayan Tiwari, UP MLA and secretary of state unit of the AICP, said Mrs. Gandhi was not a representative of the capitalist class, though her party was capitalistic.

She was a progressive but her government's policies were being obstructed by agitations like Mr. George Fernandes, Mr. Charan Singh and others. Mrs. Deshpande described the recent "dindi" of the left and democratic parties as an agitation of kulaks.

CSO: 4220

CPI(M) REPORTED UNDECIDED ON CHINESE TIES

Bombay THE TIMES OF INDIA in English 11 Jan 81 p 9

[Text] The CPM politburo has begun a three-day session here with the issue of its relationship with the Chinese Communist Party not yet finally settled and its move for forming a "broad left, and democratic alliance" yet to get full endorsement by all its state units.

The West Bengal unit continues to be the key factor in the party formulating its policies on these questions. Despite his indifferent health, the secretary of the West Bengal unit, Mr. Promode Dasgupta has been asked to be present at this meeting so that the issues could be thrashed out before the party's highest policymaking body.

This is the first meeting Mr. Dasgupta is attending in the last several months. But before his arrival, Mr. Dasgupta had a meeting with a counsellor of the Chinese embassy in Delhi, Mr. Chengruiis Heng, and held consultations with the state committee on the issue of "alliance."

Mr. Heng conveyed to Mr. Dasgupta a verbal invitation to visit China. Mr. Dasgupta's response was somewhat lukewarm--nothing else could have been expected from him at this stage. But the Chinese appear to have succeeded in creating some confusion in the ranks.

The uncertainties in the CPM on the Chinese question is reflected in the replies to questions by the party general secretary, Mr. E.M.S. Namboodiripad. "Like the CPI, does your party also condemn the role of the US and China in arming Pakistan?" The Marxist leader said that his party condemned the "imperialists."

"Is it your position that China is not arming Pakistan?" Mr. Namboodiripad: "When did I say so? However, we condemn the imperialists." Then he added: "Sometimes the Chinese make common cause with the imperialists."

The Chinese invitation was conveyed to Mr. Dasgupta at a time when he is preparing for a visit to Vietnam and Kampuchea. His undertaking the trip has always been in doubt. But the central leadership has been insisting that he should go on this trip. Mr. Harkrishen Singh, who will be the other member of the two-man delegation today asserted that M. Dasgupta would accompany him. They are due to fly to Hanoi from Calcutta on Friday.

Regarding the formation of a "left and democratic alliance," too, there appears to be difficulties in West Bengal. According to Mr. Namboodiripad, the difficulties arise from the fact that the Congress (U) has launched an agitation in the state against the CPM-led government. It is most unlikely that the state Congress (U) can be persuaded to change its attitude towards the left front with signs of discontent over CPM rule growing in the state.

The Congress (U) is unlikely to give up this opportunity of avenging its exclusion from and electoral alliance with the left front during the last Lok Sabha elections. As a result of Mr. Dasgupta's attitude towards the party, it did not win a single seat in the state. As far as the CPM workers are concerned, they also cannot forget the role of the Congress (U) leaders during the anti-CPM campaign of 1971.

Mr. Namboodiripad has claimed that there is no resistance from the CPM state unit to the formation of a "left and democratic alliance." But according to informed sources a majority of those who spoke at the last state committee meeting was against such an alliance at least in West Bengal.

CSO: 4220

CPI(M) PARTY CONGRESS REPORTEDLY DELAYED

Bombay THE TIMES OF INDIA in English 17 Jan 81 p 15

[Text] New Delhi, January 16: The CPM party congress, scheduled for April, will be delayed by at least two years.

This is mainly because the party has so far failed to resolve its internal contradictions. The decisions of the last congresses held at Salkhia (near Calcutta) have not yet been implemented, the main thrust of these was to broaden the party base and make a breakthrough in the Hindi belt.

It was decided that workers from West Bengal and other party strongholds should be sent to the North Indian region to establish party units. However, a beginning could not be made because of the strong reservations in the West Bengal unit about this line. The unending polemics over it precluded any action being taken.

A last-minute bid made by the Central leadership of the party to make the West Bengal unit accept this decision did not succeed. At the last meeting of the politburo, it was decided that the conditions in West Bengal were not ripe for the state unit to go in for a broad "left and democratic alliance." West Bengal has been allowed to continue with its left front.

Having failed to draw up a definite policy in regard to the internal situation, the party is unable to initiate a discussion on it at the grassroots level which is mandatory under the constitution in preparing for the party congress.

As regards its international connections also, the party has failed to take a definite line.

With the increase in big power presence in the region, the party is being called upon increasingly to take sides.

For example, on the issue of national security, the party is finding it difficult to avoid condemning China along with the U.S. for arming Pakistan.

CSO: 4220

CPI LEADER DEPLORES EXISTENCE OF UNTOUCHABILITY

New Delhi PATRIOT in English 17 Jan 81 p 10

[Text] Prof Hiren Mukherjee, veteran CPI leader, on Friday regretted that untouchability with its myriad miserable implications remained a sheer, sickening shame in spite of its being "abolished" by the Constitution, reports PTI.

"It is a gangrene in the body politic that has to be rooted out by hot iron, a kind of cancer that can only yield to social surgery a malignity malleable to no moderate measures" he said delivering the third Dr B R Ambedkar memorial lectures in the Capital.

The theme of his two-part lectures is "Gandhi Ambedkar and the extirpation of untouchability."

Prof Mukherjee called for a careful, concrete comprehensive and consistent study of Dr Ambedkar and Mahatma Gandhi who fought in different ways for the removal of "this blight on Indian humanity."

Prof Mukherjee said that the Mahatma stressed that the conscience of the so-called "higher" castes in Hindu society had to be roused against the crime of untouchability.

Dr Ambedkar's emphasis, however, was on evoking the submerged self-respect and the righteous anger of those who, cruelly conditioned by long repression to accept the horror had to rise and fight the atrocious Hindu system, he said.

Though the difference between the two roles were never fully reconciled during their life time there was nothing irreconcilable about them, Prof Mukherjee said.

"A sensible, scientific study can help to heighten the democratic content and character of the fight they initiated, a fight still to be won," he said.

Prof Mukherjee said the Mahatma would say beautiful things, such as that "a 'bhangi' does for society what a mother does for her baby."

He would also match his words with action even if it was ameliorative and not remedial.

But Gandhiji could never rid his mind of a kind of fascination for "Varnashram" concepts and had, therefore, a certain weakness for the caste system which he would not ask people to give up even as they were earnestly called upon to abjure "untouchability," Prof Mukherjee said.

Though the Mahatma described "untouchability" as the "greatest blot on Hinduism," he was against pulling down of the whole system.

CSO: 4220

CPI(M)'S DASGUPTA AGAINST BROADENING BENGAL FRONT

Calcutta THE SUNDAY STATESMAN in English 18 Jan 81 p 12

[Text] Among the important CPI(M) leaders, Mr Promode Dasgupta is believed to be virtually alone in his opposition to the idea of broadening the Left Front in West Bengal to include the Congress(U) as an ally. However, he is said to be backed by the majority of the party's rank and file in the State.

According to informed sources, Mr Dasgupta does not regard the present Kerala Government, in which the Congress(U) is a partner, as a true Left and democratic Government. He believes that it is more on the lines of the United Front Governments which functioned in West Bengal in 1967 and 1969 with the Bangla-Congress as a partner.

Apart from the current debate in the CPI(M) over the Left and democratic front, there is an older controversy with regard to the party's relationship with the Chinese and Russian Communist parties. On this issue, leaders like Mr Namboodiripad, Mr Basavapunniah and Mr Jyoti Basu, who are pro-Russian, are also for broadening the Left Front. Mr Dasgupta is said to be in favour of maintaining a position of equi-distance from both China and Russia.

There is no unanimity in the West Bengal Left Front about its attitude towards the "democratic" parties. While the Forward Bloc appears to favour the inclusion of the Congress (U), the RSP is dead against it. The RSP believes that no Left party could enter into a political front with the Congress(U) or Lok Dal or Janata, which only represented the interests of different groups of rich men. However, on particular issues, such as civil liberties, the Left parties could jointly organize movements with the "bourgeois" parties. The RSP says that among the Congress (U) leaders, only Mr A. K. Antony had proved his "bona fides" by resigning from the Chief Ministership of Kerala in protest against his party's decision not to oppose Mrs Gandhi in the Chikmagalur election. Most other Congress(U) leaders would not hesitate to cross over to the Congress(I) if asked to do so, according to an RSP spokesman.

CSO: 4220

PUNJAB CPI LEADER CRITICIZES CHIEF MINISTER

New Delhi PATRIOT in English 18 Jan 81 p 4

[Text] Chandigarh, Jan 17. Punjab CPI secretary Avtar Singh Malhotra has accused Chief Minister Darbara Singh of adopting "dilatory, diversionary and frivolous tactics" towards issues of immense public importance.

In a statement here today the CPI leader said that the Chief Minister had no answer to the cogent arguments and concrete proposals of the Opposition leaders. He was now trying to seek shelter behind baseless accusations and threats which would scare none.

"It is strange that votaries of Mahatma Gandhi see a contradiction in the five-party united front organising a peaceful mass agitation while simultaneously also holding talks for a settlement of urgent popular demands."

Mr Malhotra said that the Chief Minister seemed to be a prisoner either of the bureaucracy or the factional struggle in his party. If he refused to see reason the only course left for the five-party front was to intensify its preparations for the Chandigarh march and gherao on 21 January and the traffic jam on 1 and 2 February.

Govt. Threats

He said the marchers coming to Chandigarh would use all means of travel including trucks and trolleys undeterred by Government threats. "Everyone knows Congress-I uses them freely and there cannot be one law for the ruling party and a different one for the Opposition. If any attempts to obstruct the movement of marchers to Chandigarh are made the Punjab Government will bear the entire responsibility for the consequences," he added.

Mr Malhotra said that one would have thought that the miserable mass response to Congress-I "rallies" would shake up the Congress-I leadership to do some rethinking but it appears they are power drunk and have forgotten all their pledges to voters. He appealed to the people of Punjab to reach Chandigarh on 21 January in thousands to remind the Government of its responsibilities to the people. The CPI leader also appealed to those organisations, who have given a call to "rasta roko" on 21 January, not to obstruct the marchers on that day.

INDIA

RAO SENDS LETTERS TO NONALIGNED FOREIGN MINISTERS

New Delhi PATRIOT in English 18 Jan 81 pp 1, 5

[Text] India has called upon all non-aligned countries to make renewed efforts to consolidate the unity, solidarity and mutual cooperation among member nations, reports UNI.

In separate letters to all the foreign Ministers of 93 countries which are attending the four-day Foreign Ministers' Conference beginning in New Delhi on 9 February, External Affairs Minister P. V. Narasinha Rao has stated that fresh efforts were particularly necessary at the present time when "we are witnessing fellow non-aligned countries and even non-aligned movement as a whole being subjected to pressures which tend to create dissensions within our movement and threaten our unity."

Mr Rao sent letters to all Foreign Ministers on 8 January inviting them to participate in the New Delhi conference.

In his letter outlining the objectives, Mr Rao said "the conference was being convened at a time of growing importance of the non-aligned movement in the context of a sharp deterioration in the climate of international peace and security and increasing international tensions."

Mr Rao emphasised that "it is essential, more than ever before, to reassert the image of the non-aligned movement as an independent, moral and political force in international relations and as a positive factor of peace and security in the world."

He also said that the efforts of non-aligned and other developing countries to establish a new international economic order through a new round of global negotiations have so far been frustrated by the policies of the developed countries which wish to retain their positions of privilege.

Mr Rao said the New Delhi conference would provide a "timely opportunity for re-invigorating plans for increased economic and social operation among the non-aligned and developing countries in the spirit of collective self-reliance with the aim of accelerating their economic development and bridging the gap between them and the developed countries."

Several countries have already sent replies accepting the invitation to attend the conference. It is expected that all the 93 member countries would participate.

Indo-Cuban Efforts

Meanwhile, India and Cuba have agreed to work together to ensure a consensus and unity of the non-aligned movement in the outcome of the deliberations of the conference.

Cuban Vice-Foreign Minister Viera and senior officials accompanying him discussed the agenda and draft of the joint declaration of the conference with senior Indian officials led by Mr N. Krishnan, additional secretary in the External Affairs Ministry.

Mr Viera also called on Mr P. V. Narasimha Rao.

An official spokesman said during the official-level discussions there was consensus that despite complex issues that would come up at the non-aligned conference, India and Cuba should work together to ensure a consensus and unity of the movement.

Both sides agreed that attention should be given to problems relating to international economic situation and the development needs of the non-aligned countries.

India has not sent an invitation to the Heng Semrin Government in Kampuchea to attend the conference.

Informed sources said representatives of the Government of Kampuchea could attend the opening session of the conference from the visitors gallery but would not be permitted to participate in the proceeding.

India would stick to the decision taken at the non-aligned summit in Havana to keep the seat of Kampuchea vacant. The sources explained this was not the stand of the Government of India but a general approach which the other non-aligned countries had adopted in Havana.

CSO: 4220

'OLD HAND' MAY COME BACK TO REVAMP INTELLIGENCE WORK

Madras THE HINDU in English 16 Jan 81 p 1

[Article by G. K. Reddy]

[Text]

NEW DELHI, Jan. 15.

The Prime Minister, Mrs. Indira Gandhi, is thinking of bringing back Mr. R. N. Kao to coordinate the internal and external intelligence services.

The intention is to reorganise progressively the IB (Intelligence Bureau) looking after internal security and RAW (Research and Analysis Wing of the Cabinet Secretariat) which is responsible for the country's external intelligence.

These two institutions have suffered considerably through the recent agitations by their personnel for better promotion opportunities and working conditions. An attempt is being made to meet their legitimate demands without condoning indiscipline or covering up the lapses of the senior officers who had become the central figures in the controversies that led to the recent agitations.

A man of outstanding ability and integrity, Mr. Kao had served for nearly 20 years in the Intelligence Bureau before he was entrusted with the task of organising RAW as a separate entity dealing exclusively with external intelligence. He built up the technical and strategic wings of this organisation to cope with the complexities of electronic surveillance and counter-espionage, besides scientific analysis of available data for political, economic or defence purposes.

As one who had enjoyed Mrs. Gandhi's confidence, Mr. Kao automatically became a persona non-grata with the

Janata Government. The former Prime Minister, Mr. Morarji Desai, sent him out unceremoniously by abruptly accepting his offer of resignation, without even inquiring whether he was really responsible for all that he was supposed to have done outside the RAW's charter to assist Mrs. Gandhi's Government.

Another outstanding officer who was made to bear the cross was Mr. K. Shankaran Nair, who succeeded Mr. Kao but gave up the post when it was demoted from the status of a Secretary to Additional Secretary in the name of cutting it down to size. He served for some time as Secretary of the Minorities Commission with the rank of a Secretary to the Government before he retired from service.

It is quite possible that Mr. Nair also might be brought back at a later stage to assist Mr. Kao in reorganising both the internal and external intelligence services. It has not yet been decided precisely in what way Mr. Kao and Mr. Nair would function to co-ordinate the functions of the two wings or help streamline their operations.

One of the suggestions the Government has been considering is to appoint first what is called a fact-finding committee consisting of these two officers and some civil servants acquainted with security problems, to look into what exactly led to the recent agitations in the IB and RAW and suggest remedial measures.

The Government is also taking into account the objections raised by senior officers of these two agencies that the appointment of such a committee at

this stage might lead to a revival of the agitations, in one form or the other, after they have been curbed through stringent disciplinary action.

So the Government is now considering the pros and cons of either setting up a fact-finding committee first or appointing Mr. Kao straightway to do whatever is possible on the basis of his own experience of the internal set ups.

The Prime Minister is keen that either of these measures should not be misconstrued as casting a reflection on the competence of the present heads of these two agencies, who continue to enjoy her full confidence.

The IB Director, Mr. T. V. Rajeshwar, was victimised by the Janata Government on a totally false charge that he had asked the doctors to confine Mr. Jagjivan Ram to hospital on the wrong diagnosis of a heart attack during the 1977 election campaign. Though the accusation was held to be completely unfounded after a thorough investigation, he was never reinstated in his old position. It was to vindicate him that he was appointed as Director of IB after the change of Government.

The present Director of RAW, Mr. N. F. Santoor, who was appointed in 1977 after Mr. Nair gave up the post, has been retained by the present Government because he is a non-controversial figure. But the recent agitation has done him immense damage, since no Government can afford to let matters reach this stage in a highly sensitive organisation of this nature.

CSO: 4220

PRC-TRAINED NAGA 'GENERAL' TRYING TO UNITE FACTIONS

Bombay THE TIMES OF INDIA in English 18 Jan 81 p 1

[Text] Shillong, January 17.

The army has been alerted and patrolling intensified in the Tirap sector of the India-Burma border.

This follows reports that China-trained men of the Muivah faction of the underground Nagas were massing across the border in a bid to cross over into Arunachal Pradesh on their way to Nagaland.

Security arrangements have been tightened and all possible entry routes into Tirap district of Arunachal Pradesh sealed to prevent the return of the underground Nagas.

Meanwhile, the China-trained "general" Mowu Angami, who recently manoeuvred to get himself "elected" as "vice-president" of the Naga national council--the political arm of the eartwhile underground--and conducted a hurricane tour of the interior areas of Nagaland to mobilise his Pakistan and China-trained guerillas to form a third force in the underground, is understood to have initiated a move for uniting the three warring factions of the underground Nagas.

"General" Mowu, who had declared his intention of adopting a position of equi-distance between the "federal group", which signed the Shillong peace accord on November 11, 1975, and the pro-Beijing faction led by Mr. T. Muivah and Mr. Isak Chisi Swu, has been making quiet efforts to bring the two sides together.

CSO: 4220

LOK DAL EXECUTIVE ISSUES RESOLUTION ON ASSAM

Calcutta THE STATESMAN in English 17 Jan 81 p 7

[Text]

NEW DELHI, Jan. 18.—The national executive of the Lok Dal today asked the Government to hold immediate tripartite talks to resolve the Assam issue, take diplomatic and other steps to free Afghanistan from foreign military presence and to scrap the Asian Games.

The two-day session of the executive, in a resolution on Assam, said that before the meeting, there should be consultations among the Opposition parties on the one hand and between the Opposition and the leaders of the Assam movement, on the other. The third party in the talks should be the Government.

Releasing the three resolutions on Assam, Afghanistan and the holding of the Asian Games, the party's general-secretary, Mr Madhu Limaye, said 47 out of 55 members of the national executive were present. They included Mr Karpouri Thakur, Mr Devi Lal, Mr Shyam Nandan Mishra, Mr George Fernandes and Mr Syed Ahmed Hashmi. Mr Charan Singh presided.

The party executive deplored the failure of the Government to find a solution to the Assam problem

even after a year. The dilly-dallying with the issue proved lack of direction and a policy of drift with the Government.

The resolution asked the Government to extend firm support towards the establishment of an independent, sovereign and non-aligned Afghanistan, free from foreign interference and foreign military presence. It did not mention the presence of Soviet troops in Afghanistan.

The executive said the Lok Dal was opposed to the holding of the Asian Games, for which Rs 300 crores are proposed to be spent. While half the Indian population lived below the poverty line, the holding of the Games was an "insult to suffering humanity."

If the Government did not respond to its suggestion, it would launch a peaceful agitation against the holding of the Games. A small committee is being set up.

UNI adds: The controversy over the suspension of the former Minister, Mr Chandrajit Yadav, from the Lok Dal will dominate the party's national executive meeting.

CSO: 4220

PETITION ON VALIDITY OF ASSAM CABINET DISMISSED

Calcutta THE STATESMAN in English 17 Jan 81 p 7

[Text] Gauhati, Jan. 16.--Gauhati High Court today dismissed in limine the writ petition, filed by the former Chief Minister, Mr Jogendra Nath Hazarika, questioning the validity of the appointment of the Assam Council of Ministers, headed by Mrs Anwara Taimur, leader of the Congress(I) Legislature Party, reports PTI.

A single bench judge, Mr Justice K. M. Lahiri, while holding the appointment of the Chief Minister, Mrs Taimur, and her Council of Ministers as valid and in accordance with the provisions of the Constitution observed that anything done by the Governor in his discretion, whether right or wrong, could not be questioned in a court nor had there been any violation of any mandatory provisions of the Constitution or a statutory law in the Governor's action.

Mr Hazarika, in his petition, had prayed for the issue of a writ of quo warranto directing the respondent, the Chief Minister, and the respondent Ministers to vacate their offices and also a writ of mandamus for declaring the order of these appointments made by the Governor of Assam under Article 164 of the Constitution as illegal, unconstitutional and invalid.

The petitioner had also prayed for a declaration by the court that he be declared the Chief Minister of Assam and be allowed to resume his office to exercise the powers and discharge the duties of the Chief Minister.

Mr Hazarika was the Chief Minister when President's rule was imposed on Assam on December 12, 1979, after keeping the State Assembly in suspended animation.

The new Ministry, headed by Mrs Taimur, was appointed by the Governor when President's rule was annulled on December 6, 1980.

Mr Justice Lahiri in a lengthy judgment, said the power to appoint the Chief Minister and the Council of Ministers or to withdraw the pleasure contemplated under Article 164(I) of the Constitution or to dismiss the Ministry was the exclusive pleasure-cum-discretion of the Governor.

Therefore, the right of the Governor to withdraw pleasure, during which the Ministers held offices, was absolute, unrestricted and unfettered, Mr Justice Lahiri said, adding that there was no manner or method for withdrawal of his pleasure by the Governor.

SIKH LEADER CALLS FOR TALKS ON ASSAM ISSUE

Bombay THE TIMES OF INDIA in English 18 Jan 81 p 13

[Text]

SHILLONG, January 17: The chief of the Jammu and Kashmir Akali Dal, Sant Singh Tejh, today urged the Union government and leaders of the Assam agitation to give up the path of confrontation and resume discussions without any pre-conditions to resolve the vexed problem of foreign nationals.

The Sikh leader, who has extensively toured interior areas of Assam on his "peace mission" during the last 35 days, said that any further delay in resolving the foreign nationals problem was fraught with serious consequences.

Talking to newsmen here this morning, Sant Tejh felt that although the problem was quite complex, it should not be difficult to find a solution in a spirit of give and take.

He regretted that there was very little understanding of the problem in the rest of the country and the people had evinced little interest in this sensitive frontier region. He said it was wrong to describe the popular, democratic movement as secessionist or anti-national.

The people of Assam, he said, had genuine problems and the national leadership ought to take a sympathetic attitude in resolving them.

The Akali leader appealed to different communities residing in Assam to maintain communal harmony and peace in the state.

Sant Tejh called on the Meghalaya chief minister, Mr. B. B. Lyngdoh, before he left for Gauhati this afternoon. He is likely to meet AASU and AAGSP leaders before returning to Delhi next week.

CSO: 4220

ASSAM-BANGLADESH BORDER SECURITY STEPS TOLD

New Delhi PATRIOT in English 20 Jan 81 p 7

[Text] Madras, Jan. 19 (UNI) Union Minister of State for Home P. Venkatasubbiah today said security measures along the Assam-Bangladesh border have been tightened.

Mr Venkatasubbiah told newsmen here that 600 infiltrators were detected and deported from India to Bangladesh in 1980. The number of infiltrators in 1979 was 1200, he revealed.

He said the border security arrangements were constantly under review and if necessary they would be further strengthened.

Mr Venkatasubbiah said he had inspected the border following complaints that the security arrangements were not effective. He pointed out that there was a check-post for every 3.5 km in most of the areas and six km in some places.

Mr Venkatasubbiah said there were 98 km of land border and 48 km of reverine border between Bangladesh and Assam. The Government had recently acquired motor boats to check infiltration through riverine areas.

He said the Centre was prepared to hold talks with the leaders of the All Assam Students Union and the All Assam Gana Sangram Parishad on the question of foreign nationals under certain conditions. These were national commitments, international obligations human considerations, the Citizenship Act and the Passport Act. The national register of citizens could not be solely depended upon for detecting the foreigners' as part of it had been lost and even the Gauhati High Court had held that it was not complete, he said.

He said the Centre had initiated steps to identify and deport foreigners with 25 March 1971 as the cut-off date. So far 2131 people have been detected and of them 2094 deported, he added.

CSO: 4220

'STATESMAN' INTERVIEW WITH ASSAM STUDENT LEADER

Calcutta THE STATESMAN in English 17 Jan 81 p 6

[Article by S. Guru Dev]

[Text]

MR. Bhrigu Phukan, General Secretary of the All-Assam Students Union, told me in an exclusive interview that he agreed that the real solution to the infiltration problem in the State depended on the extent of cooperation between Central and State agencies and the border community. He also answered a number of specific questions.

QUESTION: Is the prolonged agitation worth it? What were the memorable moments, achievements, internal constraints or discordant voices?

ANSWER: Certainly the agitation did not start over non-issues. And, to speak in the same breath, issues determine the worthiness of any agitation. I would prefer to leave any reflection on memorable events, achievements and internal constraints to the future. People have become conscious about a problem which has threatened the future status of Assam. That itself is an achievement.

Q: Do you feel that you should have clinched it when the Governor, Mr L. P. Singh, virtually offered 1967 (as the cut-off year)?

A: No. When the issue involved is genuine, the solution must not be without any constitutional foundations. The invitation letter from the Governor stated that the Governor was authorized by the Central Government to negotiate with us. The offer of 1967 as the so-called cut-off year was based purely on political considerations of the ruling party at the Centre.

Q: Since the problem is a legacy of history and political encouragement, why visit the sins of the fathers on the children?

A: So that future sons and daughters cannot blame the present generation for its ignorance and callousness. Political encouragement must not find any place in the future history of Assam.

Q: A real solution to infiltration depends on the extent of cooperation between Central and State agencies and the border community—and a climate of detection. Would you comment, particularly on the role of the BSF?

A: Agree definitely. The BSF detected just one, repeat one (can you believe it?) infiltrator in 1977 and during the same period the State agency detected 5,074 infiltrators. The deplored and highly motivated role of the BSF in safeguarding the border becomes abundantly clear from this fact. So the AASU suggested to the Union Home Minister that the operational command of the BSF should be handed over to the State Government.

Q: Is there an awakening among the students of the northeast? Do you visualize more "crusades" on specific issues—and what are they?

A: We feel the process has started. Negligence of local talent, deprivation in the job market and industry and draining of natural resources without any worthy return have made the need more imperative. Common issues engulfing the entire indigenous population of the northeast have to be discussed with all concerned and a strategy evolved.

Q: Observers see a pronounced insular mood in the region. Why so? Have the Assamese forged new links with the other ethnic groups in the region or

do you visualize a recurrence of the hillman versus plainsman politics or overtones?

A: Only those observers who are not representatives of any vested interests can realize, criticize and focus objectively on the real cause of any mass protest. Betraying one's own conscience and intelligence, it is easy to brand us chauvinists. The social and cultural interaction among different ethnic groups of the region is nothing new. We do wish to strengthen it.

Q: Reports suggest a communication gap with the plains tribals. Is this propaganda or will you have to restore and rebuild fraternal relations?

A: We have a communication gap only with those who have been sponsored by the so-called State-level left political parties. Social disunity and social reconstruction are incompatible. But today's so-called leftists dream of a revolution to be achieved through vote banks of simple-minded people in the name of caste, language, religion, etc. They have become pro-establishment to the extent of deserving condemnation.

Q: Why did you maintain the oil blockade (in a sense) at a time like this? The people of India in general have to bear the inflationary burden although they never encouraged foreigners nor alleged foreigners into Assam.

A: Oil was being used only as an instrument of protest. We have never said that Assam oil belongs to Assam only. But do you remember Mrs Gandhi's assertion that the country can manage without Assam oil? We hope Mrs Gandhi would keep her own words. Along with natural resources the liabilities imposed on

Assam should also be shared by the whole nation.

Q: Are you likely to press for constitutional safeguards? Do you feel that the bureaucrats in New Delhi need to do their homework? Are they basically "obstructionist", playing the game of divide and rule? Could you give instances?

A: The demand for constitutional safeguards has been included in our memorandum to the Prime Minister only to ensure that illegal entrants who are taken out of Assam will not come back in search of land. We are concerned with all the cultural and linguistic identities historically associated with Assam prior to British rule. The Constitution should guarantee that future demographic changes shall not be allowed to erode these features.

The bureaucrats in Delhi are unfamiliar with history, cultural heritage, life habits and the basic issues of the region. They qualify this region only by its resources

exposing themselves to their colonial attitude. You have chosen the appropriate adjective to describe at least some of them, if not all. Press handouts issued by the Home Ministry regarding the observance of the Assam bandh on December 29 and 30, 1980 amply illustrate their policy. The Press notes constituted a pack of lies. Bureaucrats should realize that realities are not to be ignored but to be faced.

Q: How do you view geopolitics in the region? Do you see signs of the petro-dollar or do you see advocates of the Manipur pattern?

A: It is difficult to project a definite picture. The future course of events wholly depends on the response of the Central Government to the present problem. The geopolitics of any region, in today's world situation, cannot be viewed in isolation. We have not seen signs of petro-dollars but have received reports about them.

Q: Are there "doves" and "hawks" among you? Do you expect further polarization? What is your equation with the North-East Region Students Union?

A: Let me tell you something. So far in the AASU executive there has been no necessity to decide any item by voting. Perhaps that answers your point. NE-RSU is yet to adopt a constitution. The equation shall be decided by the constitution.

Q: Loss of a full academic year is no joke; was it necessary?

A: Please note that it was the Government which closed down schools and colleges last year in a bid to contain the spirit of the students. But this failed. We wanted to continue both study and the struggle. Now the students are back in schools and colleges in accordance with the AASU executive's decision. We are prepared for more sacrifices, if necessary.

PRESS COUNCIL CHAIRMAN SPEAKS AT REPORTING SEMINAR

Madras THE HINDU in English 17 Jan 81 p 7

[Text]

BANGALORE, Jan. 16.

Mr. A. N. Grover, Chairman of the Press Council of India, has urged the editors and proprietors of newspapers to take more interest in socio-economic problems, particularly those arising in rural areas.

He was inaugurating the three-day national seminar on "New Challenges in Reporting," organised by the Bangalore Reporters Guild on Friday.

Mr. Grover said that a study by the research section of the Press Council on reporting of socio-economic problems covering the period from December 1979 to February 1980 in English and Hindi newspapers showed that the percentage of space used for these problems ranged between 1.99 and 0.72 for English papers and three and 1.95 for Hindi papers. Regional papers will be studied soon.

Mr. Grover said that he felt heart-broken when the press did not take up any particular topic of great social evil or interest and pursue it to create public opinion.

Many papers did it but it was not done continuously or regularly.

He wished that pressmen would go to rural areas and tackle the problems there, so that the Government could come to know of them. Most journalists had an urban upbringing which was a limitation in a country with mainly rural population.

Mr. Grover said investigative journalism was yet to make headway in the country. It could be most rewarding and would contribute to the reputation of a newspaper if it was done with

thoroughness, avoiding abuse.

Investigative journalism, which essentially involved an encroachment into certain areas of individual privacy, could not be allowed to degenerate into character assassination, he cautioned.

Also, crime reporting, he said should be done remembering that a person must be held innocent until he was proved guilty.

Crime reporting, if done with the object of promoting justice, and not with an eye on sensationalism or for running down the authorities, would have salutary results.

The Press Council had completed the study on the Contempt of Courts Act and almost completed study on the Official Secrets Act. The idea was to make recommendations to the Government and persuade it to remove provisions impinging on the freedom of the press.

Mr. Grover wanted the press to focus attention on the freedom of the press from three points of view. According to him, freedom meant, freedom to collect information, to ensure its accuracy and to publish it. The Indian reporter unlike his American counterpart had no specific right of access to information and would have to depend on sources which were extra-legal.

Mr. Khadri Shamsanna, Editor, Kannada Paksha, who presided, said that the real master for pressmen was the reader, not the proprietor. If pressmen acted with courage and determination they would be able to serve the readers.—Our Staff Reporter.

CSO: 4220

SPECIAL BEARER BONDS TO 'MOP UP' UNACCOUNTED MONEY

Bombay THE TIMES OF INDIA in English 13 Jan 81 p 1

[Text]

NEW DELHI, January 12.

IN what is described as a major bid to mop up "black money," the Union government tonight promulgated an ordinance providing for a new scheme of investment in special bonds.

The ordinance was issued after an emergency meeting of the cabinet to discuss the best way of solving the problem of huge amounts of unaccounted money in circulation. No set agenda for the meeting was circulated in advance.

The "special bearer bonds" are expected to be available from February 1 and will remain on cap till such date as the government may notify. This will not be before April 30.

Under the scheme, the bond-holders will have immunity from disclosing the source of the money and will not be liable to any penalty or prosecution on the ground merely of possessing such bonds.

The scheme will be independent of the tax system.

A government announcement said the scheme of "special bearer bonds, 1981," would enable the canalisation of unaccounted money for productive purposes in the overall interest of the economy.

The broad features of the scheme will include an assurance that the source of the money invested in the bonds will not be questioned.

The salient features of the scheme are:

(1) The bond of the face value of Rs. 10,000, will be issued at par with a maturity period of ten years. The holders will be entitled to receive Rs. 12,000 for every bond on maturity.

(2) The bonds will be available for subscription at the offices of the Reserve Bank of India in specified cities and in the branches of the State Bank of India in India and abroad.

The subscription to the bonds outside India will be made in foreign exchange. However, repayment will be made in India in Indian rupees.

(3) There will be no limit on investment in the bonds.

(4) There will be immunity for the original subscriber or possessor of the bonds from being questioned about the source of money from which the bonds have been acquired. As a result, the mere fact of being in possession of the bonds will not make the person liable in tax, penalty or prosecution under the direct tax laws.

(5) The premium payable on redemption of the bonds will be free from income-tax and the value of the bonds will be exempt from wealth tax. Transfer of the bonds on resale will not attract liability towards capital gains tax. Likewise, transfer of the bonds by way of gift will be free from gift tax.

(6) The scheme will be independent of the tax system. No holder of the bonds will accordingly be entitled to claim any set-off or relief in any proceedings under the direct tax laws on the ground that he has subscribed to or otherwise acquired the bonds. He will not be entitled to demand the repaying of any of his completed assessments on the ground that he has subscribed to or has otherwise acquired the bonds.

It will not be permissible for any taxpayer to claim in his wealth tax assessment proceedings that any asset owned by him has been converted into the bonds. Further, it will not be competent for any person to claim at any time before the date of maturity of these bonds that any sum credited in his books of account or otherwise held by him represents the amount received by him on the transfer of the bonds. It will, however, be open to investors to bring the moneys received on redemption of bonds in their books of account without attracting any tax liability.

(7) No holder of the bonds will be liable to any penalty or prosecution for any offence under the Indian penal code or any other Central act in force on the ground that such a person has subscribed to or otherwise acquired the bonds or is in possession of them.

This immunity will not, however, extend to offences under chapters IX and XVI of the Indian penal code or under the Prevention of Corruption Act—that is, offences by public servants and those relating to property such as theft, extortion, robbery and dacoity, criminal misappropriation of property, criminal breach of trust, etc.

(8) Commercial banks will be authorised to give advances within the framework of credit control against the collateral security of the bonds.

The banks will, however, not be permitted to purchase the bonds and, thus, the bonds will not form part of the government securities statutorily required to be held by them.

CSO: 4220

BIHAR TRIBAL COUNCIL PLANS AID FOR ADIVASIS

New Delhi PATRIOT in English 19 Jan 81 p 4

[Text]

PATNA, Jan 18.

SOME important decisions related to the welfare of the Adivasis — particularly with regard to land restoration, exploitation by contractors, land acquisition and education and rehabilitation — were taken by the Tribal Welfare Advisory Council meeting held here under the chairmanship of Chief Minister Jagannath Mishra.

It was decided that education in primary schools in the tribal belt be imparted through the languages spoken in these areas. The education department has been asked to take steps for the preparation and printing of suitable text-book in this regard.

Every teacher working in the primary or middle school in these areas, will have to acquire proficiency in the tribal language of the area, so that there is no communication gap between the teacher and the student.

In order to prevent exploitation of the tribal labour by contractors or middlemen, a comprehensive legislation to protect their interests was mooted.

In addition to the legislative measures, administrative measures would be taken to effectively check the onslaught against the tribals.

Adequate administrative and legislative measures were decided to be taken in order to ensure reasonable payment for the goods the tribals sell. The Tribal

Welfare Corporation is expected to arrange for the marketing of the green vegetables and fruits of the tribals.

Another significant decision taken relates to a provision for review of cases of the forest and excise departments involving thousands of Adivasis over the years. A deputy commissioner will examine these cases with the officers of departments concerned quickly and withdraw all those cases pending for more than six months.

It was also decided not to dispossess Adivasis from their land pieces until an integrated rehabilitation programme was undertaken.

The Adivasis uprooted from their land will be rehabilitated in such a way to ensure their community life is not disturbed.

The council also suggested that the Government bring about some basic changes in the Land Acquisition Act so that adequate compensation is paid to the Adivasi tenants for the land acquired from them.

An integrated and comprehensive project will be prepared for reserved forest areas in tribal belts. Change in mineral concession rules in the interest of the Adivasis was also proposed.

Three residential schools, for boys and one for girl students will be established in every block of the tribal belt.

CSO: 4220

PROGRESS AND PERSPECTIVES OF POWER SECTOR TOLD

Calcutta THE STATESMAN in English 19 Jan 81 Supplement p 1

(Text) "ELECTRICITY" is in the Concurrent List of the Indian Constitution. Till date, the role of State Governments in the electricity supply industry has been dominant. The Centre is now emerging with a substantial role in power generation through the new "Super Thermal Power Stations" and it would take some time for the Centre to acquire a significant share in the power supply industry on the Indian scene. Hence immediate changes and improvement in the power supply industry have to be brought about by effective coordination of the efforts of the State Governments and the State Electricity Boards.

The role of the electricity supply industry is basic in the economic activity of any country. Power intensity is relatively high in our country due to various reasons including the substantial substitution among the forms of energy (shifting to use of power) in the various sectors. This calls for a coordinated development of the power supply industry. Although we have witnessed cyclical difficulties in the power supply position in the earlier years, mostly due to the vagaries of the monsoon, the problem in 1980 was particularly serious. The power availability from the thermal stations had come down substantially causing widespread difficulties

in the power supply position, affecting industrial production in many parts of the country.

A series of measures were initiated in 1980 to improve the power supply position and to insulate the Indian economy from the vagaries in the power supply. The problem had to be tackled on the technical, organizational and managerial fronts. The challenge was undertaken to ensure effective performance by all concerned in the power supply industry. The active participation and co-operation of the various personnel in the task have already started showing results and by November, 1980, the evidence of the substantial improvement in the power supply has been felt.

As on date, the power supply industry is largely in the State sector under the State Electricity Boards. Any improvement has to be brought about directly by the SEBs assisted by technical and managerial counselling from CEA and Ministry of Energy. To give a thrust and direction to these efforts two Conferences of Power Ministers were organized during the calendar year 1980, in June and November. The Prime Minister himself participated in the first conference and gave very valuable guidance for the improvement of power supply industry. Union Ministers of Finance, Railways, Planning, Indus-

tries etc., and various Chief Ministers and Power Ministers of States also participated in these conferences.

MAJOR DECISIONS OF THE POWER MINISTERS' CONFERENCES

Following purposeful discussions in the conference, following broad decisions were taken

- (i) The power planning should aim at generation higher than the demand by at least 10%.
- (ii) A greater role for Centre in generation and transmission should emerge on the power supply scene.
- (iii) There is need for guidance for all the State Electricity Boards, to improve the management of their affairs and Centre should take appropriate steps in this direction.

MANAGEMENT OF POWER SUPPLY INDUSTRY

During the recent months in the power sector, the need to create a new management bias has been accepted with the necessary emphasis on professionalization of cadres in various disciplines required for a modern commercially oriented industry. In addition, it was agreed to develop for every power station "Betterment Programmes" by inter-disciplinary teams from within the organizations. The approach was to identify the problems and locate critical technical and non-technical areas of activities, prepare time-bound programmes and lists of im-

put for solutions and fix up responsibility on certain individuals in each case. Due attention was focussed on maintenance management and systematic overhauling.

The new power generating corporations under the Central Sector are being modelled on sound management practices which determine the culture and quality of operations in any industry. The NTPC, which is one of the newer entrants in the power generating business, has been planned with an organisational structure which clearly defines linkages and responsibilities. It has authored its own integrated Project Management and Control Systems, multi-tier planning and control systems, and physical progress measurement and monitoring systems and these have already shown good results in ensuring that the major projects in hand are progressing according to schedules. Its quality assurance system, with emphasis on submission of detailed quality plans by suppliers and evaluation of these by the Company, is having its impact on the responsiveness of the suppliers to meet stringent specifications and quality standards. These are well-known management practices, but their implementation and enforcement requires a determination on the part of the industry to fulfil its responsibility for ensuring the most economical growth in the sector.

The need for tackling the management style of State Electricity Boards, and through that to bring about an improvement in the power supply position, was identified. Detailed guidelines were sent from the Ministry of Energy to all the state Electricity Boards in July, 1980, indicating the major areas, in the management of State Electricity Boards and suggesting the lines of action for improvement. Each State Electricity Board was directed to prepare a betterment-cum-renovation

programme for each thermal power station which should identify the problems, draw up suitable plan of action for improvement, identify the persons to implement the same and carry it out systematically. The guidelines included the manner in which such programmes were to be prepared. Detailed suggestions for better project management for implementing the new power projects were also included in the guidelines. The State Electricity Boards are required to introduce review of project management at periodical intervals at different levels and to monitor the project through effective execution reports.

Almost all the State Electricity Boards have drawn up the betterment-cum-renovation programmes for their thermal stations. The renovation programme has been launched during the year. It is expected that over the years all the thermal stations would stabilize in their operation and would give greater output to the system. The significant improvement in power generation in Damodar Valley Corporation in recent months could be directly attributed to the effective implementation of purposeful and action-oriented betterment programme.

VISIT OF CENTRAL TEAM TO STATE ELECTRICITY BOARDS

A Central team headed by Secretary, Department of Power, and officers of Central Electricity Authority and the Ministry of Energy visited various States during the year to review the various measures taken by State Electricity Boards to implement the guidelines issued by the Ministry of Energy. The team reviewed in detail the functioning of the State Electricity Boards. The introduction of professionalism in financial, materials and personnel management was studied, besides transmission and generation.

The delay in the implementation of new projects and the long time taken for stabilization of new power stations and periodic breakdowns were identified to be largely due to ineffective project management. To eliminate such difficulties, the State Electricity Boards were advised to introduce systematic "contract planning" coupled with committed network programme in all spheres. The need for introduction of "quality assurance" at all levels to eliminate sources of difficulties in operation was emphasized. The model contract for suitable adoption by State Electricity Boards is being developed by the experts of the Government of India. The above discussions have introduced a new orientation in the whole management of State Electricity Boards and it is expected that the process would continue further and literally electrify the management of the State Electricity Boards.

STABILISATION OF 200/210 MW UNITS

The poor contribution of power from the 200/210 MW units cannot be considered as a major weak link in the power supply industry. To tackle the newly set up 18 units, special programmes were drawn up. A task force was sent to each State Electricity Board to identify the problem, draw up action programme and to implement the same quickly. With substantial collaboration from BHEL, the progress in the stabilization of these units has been significant. It is heartening to note that due to the above measures as many as 11 units have fairly stabilized so far and by 1981 all the 200/210 MW can be expected to stabilize and provide the basic frame for the power supply industry to contribute its might for the national development.

EQUIPMENT SUPPLY TO POWER SUPPLY INDUSTRY

The successful management of the power supply industry would largely depend upon the timely availability of quality equipment from various sources. BHEL and EIL from the Central Public Sector have the dominant role in the supply of these materials. Recurring breakdowns of these equipments in effectiveness in operation and difficulty in securing timely replacements, plagued the industry earlier. The conference with the Power Ministers and the inter-ministerial discussions have helped in sorting out these problems in improving quality control and in securing these equipments.



Consequent on the decisions in the first Power Ministers' conference, BHEL and ILK have supplied a list of spare parts to all the State Electricity Boards indicating the prices and the delivery schedules. This would help the State Electricity Boards to draw up an effective materials management programme. Moreover the drawings of some of the simpler equipments are also being made available to State Electricity Boards so that they could manufacture them locally. The effective rapport between BHEL and ILK and the State Electricity Boards has thus been brought about during the year to improve the power supply position.

COAL AVAILABILITY AND ITS MOVEMENT

To match the increased demand for the supply of quality coal, periodic discussions have been held between the Departments of Power and Coal. Department of Coal have agreed to introduce joint sampling system through which the quality of coal could be effectively controlled. The availability of coal in pit-heads has improved significantly during the year. The transportation of coal to the various power stations has been a matter of constant review in the Ministry of

Energy. The matter was also discussed in detail during the Power Ministers' conference and the inter-ministerial meetings. While the State Electricity Boards accommodated the difficulties of the railways in that they made efforts to unload even box type of wagons. Railways have also taken steps to increase the wagon availability for the power supply industry. From January to November, 1980, the wagon availability increased to 2,877 per day as compared to 2,500 wagons per day during the same period last year. It has further increased to 3,200 wagons per day on date.

VISIBLE IMPACT OF EFFORTS

The restructuring of power supply industry within a year is a major task. The variables involved are many. The quality of equipments manufactured, the skill of the workers engaged in operation and the efficiency of management have all a significant part to play. Although we could legitimately state that all these efforts taken by the Ministry of Energy over the year would produce real significant results in about 2 years from now, we can still take pride in stating that visible impacts of the efforts have

already started showing on the horizon.

The power supply position has improved significantly over the past 11 months. The power generation during January, 1980 to November, 1980 has been 98.6 million units as against 97.6 million units during the same period last year. The increase indicates that direction in which we are moving. To illustrate the above point, it is sufficient to mention that the increase in power supply from thermal power stations has been of the order of more than 22% in November/December, 1980 as compared to the same month last year. Similarly, DVC has improved in generation substantially since November, 1980.

FUTURE PROGRAMME

We are improving the present and simultaneously planning for the future. We are engaged in preparing a 15-year long-term power plan, incorporating an optimal mix of thermal, hydro and nuclear generation. The exercise includes the identification of time-bound implementation of specific projects, for which all the inputs such as coal and rail transport have been tied up. The matching input requirements such

(Figures in MU-Million Units)

Source	1979		1980	
	Thermal	Tower Generation	Thermal	Tower Generation
Others	600	300	600	570
—	4231	919	5274	5700
—	469	163	507	517

as those of cement, steel, aluminium etc., are also part of this plan, as also the associated transmission programmes which will be part of the National Grid, in order to enable integrated and optimum operations for the country as a whole.

Efforts are also about to translate this plan perspective into a corresponding investment plan so that the financial requirements could also be tied up on a long-term basis for the implementation of this plan. In order to give a boost to the power programme, total capacity of 5,910 MW of generation was given clearance by the Central Electricity

Authority during the period January, 1980 to November, 1980, as against only 2,434 MW of generation capacity sanctioned during the same period last year.

Advance action has been initiated for identifying more super thermal power stations. Feasibility reports in respect of Super Thermal Power Stations at Pencrao and Vaidas in Madhya Pradesh, Kahaigson in Bihar, Talcher in Orissa and Mangoor in Andhra Pradesh and second super thermal power station at Singrauli are in various stages of preparation. The first unit of the Singrauli super thermal power station is due to be commissioned

in 1981 and by the end of the decade, more than 70,000 MW capacity would be added by the first batch of super thermal power stations.

Similarly, National Hydro Electric Power Corporation has been entrusted with various projects during 1980 for investigation and execution in the Central Sector. The projects are Dul Hasti (300 MW) in J&K, Koel Karo (710 MW) in Bihar, and Koi Dam (600 MW) in Himachal Pradesh. Similarly the NHPC have taken up Eastern Ramaiganga (80 MW) in Uttar Pradesh, Dhauliganga (900 MW) in Uttar Pradesh, Gomti Ganga (Uttar Pradesh), Chamera (Himachal Pradesh), Parvati (Himachal Pradesh) for investiga-

tion. The policy of this Government to utilize the renewable sources of energy to the maximum extent would be reinforced with the implementation of these schemes.

Centrally Owned National Grid

The disparity in the location of resources for power generation and the load development calls for effective and efficient inter-system exchange of power. The emergence of Central Government in power generation has therefore to be backed up with sufficient development of transmission networks to carry power to the constituent States. For optimal operation of the various power systems and to facilitate inter-State exchange of power, the need for the "National Power Grid" under the control of Central Government has been recognized. The State Power Ministers have also accepted the creation of a national grid under the Central sector in principle. Steps have been initiated to implement the same.

Rural Electrification

The emphasis on rural electrification is being maintained by this Ministry. The revised Draft Plan 1980-85 provide for electrification of one lakh new villages and energizing of 25 lakhs pumpsets within outlay of about Rs 2,900 crores. [as published] All efforts are being taken to provide all inputs like cement, steel, aluminium, etc., so that the programme would receive continued emphasis at all levels.

The special steps taken by the Ministry of Energy since January, 1980 may be listed as follows:

1. Crash Programme for Rural Electrification:

To ensure that the maximum number of villages are electrified and minor irrigation facilities are available, a crash programme was directed to be implemented before the onset of monsoon 1980. Under the directions of the Minister of Energy, Chairman REC convened series of meetings with all chairmen and senior officers of State Electricity Boards at New Delhi. In these meetings, a definite target was set for each SEB to electrify villages and to energise pumpsets. The agreed targets were more than achieved.

The target achieved during the period January to August 1980 in electrification of new villages compared to the earlier year shows the significant jumps achieved:

	No. of villages	
	1979	1980
January-August	12,361	15,513

2. Special Programme for each State:

To give a special orientation in the implementation of the rural electrification programme, each SEB was directed to identify a special project for each State and to intensify rural electrification in that area. The progress in this work is satisfactory.

3. Power supply to agricultural pumpsets

The Minister for Energy has taken special interest and has directed all State Governments to provide minimum power supply of 6-5 hours to the irrigation pumpsets. The response received from the State Governments is very encouraging and all the States have agreed to abide by these instructions. REC have been directed to obtain an undertaking and ensure the implementation of providing the minimum power supply to rural sector before the new schemes are sanctioned to them by REC.

4. Coordination of inputs:

The material requirement to carry out the rural electrification programme was pursued separately and intensively supply of cement, steel and aluminium for conductors improved significantly during the year through the coordinated efforts of the Ministry of Energy.

ENERGY POLICY:

Considering the importance of development of various Energy resources and also of the need for a comprehensive Energy Policy for the nation. A Cabinet Committee under the Chairmanship of the Prime Minister was constituted in February, 1980. A

Committee of Secretaries headed by the Cabinet Secretary has also been constituted to provide support to the Cabinet Committee. These Committees have accorded priority to the consideration of the recommendations of the Working Group on Energy Policy, whose report had been received in November, 1979.

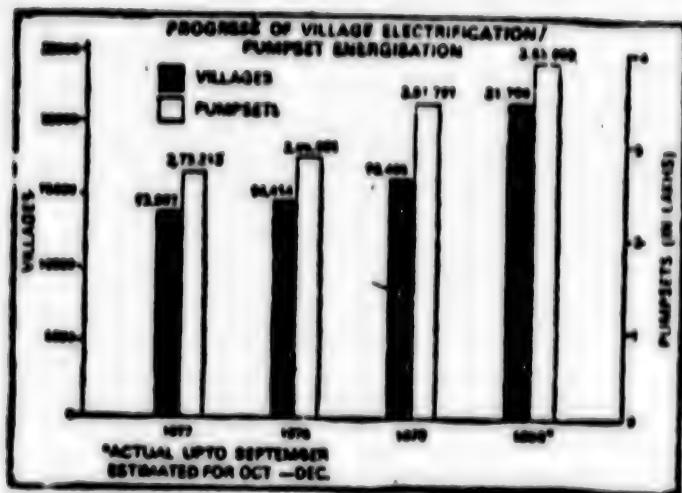
A number of measures to guide

the Energy Demand and to ensure adequate supplies of Energy in the future are contained in the report. The Committee of Secretaries held two meetings and gave certain directions to be complied with. Necessary follow-up action is being taken up wherever possible, in the light of the directions given by the Committee.

tee of Secretaries. The Working Group on Energy Policy has suggested, among others the following:

1. Improving the efficiency of use of domestic choolas.
2. Improving the efficiencies of energy use of agricultural pumpsets equipment and implements.
3. Conservation and improving efficiencies of energy use in the industrial sector.

It has suggested greater thrust in R&D in the fields of conservation and development of more efficient Technologies. The various connected departments are making efforts to identify the areas for improvement in the efficiencies of Energy use.



Development of New Sources of Energy

Programmes for development of new sources of energy have been activated. The Department of Power is in close touch with the Department of Science & Technology which coordinates the programmes for R&D activities for new sources of energy. A second evaluation by an Indo-Dutch team on the integrated rural project for development of windmills taken up with the object of introducing wind as an

alternative means for ground water pumping for agricultural irrigation purpose is proposed to be taken up to study costs and socio-economic aspects.

Geo-Thermal exploratory work in Parbat Valley undertaken with the assistance of UNDP is being continued and drilling work would be done in 1981-82. The work on the Puga Geo-Thermal Project in J&K is also under

progress and is being closely monitored. A proposal for taking up investigations and studies in the Gulf of Kutch, Gujarat to establish the feasibility for generating energy from ocean tides at an estimated cost of Rs 218 lakhs envisaging an energy potential of 1,600 million KWh with an installation of 600 MW has recently been approved.

CSO: 4220

PAPER DETAILS PLANS FOR 1981 CENSUS-TAKING

New Delhi PATRIOT in English 15 Jan 81 p 5

[Text] India's population count-81 has been fixed at the sunrise of 1 March. This will be preceded by the actual enumeration beginning from 9 to 28 February, reports UNI.

According to official sources, the enumeration stage would be followed by a revisional round from 1 to 5 March to bring the population data obtained during February up to date.

Two schedules are to be canvassed during February-March-household schedule (part I and II) and individual slip.

The household schedule would be filled for every household, whereas the individual slip is meant for each individual irrespective of age.

The requisite number of schedules have been sent to various states for distribution among enumerators and supervisors. [as published]

The enumerators will fill in working sheets to arrive at provisional population totals at the end of the enumeration. These totals will be transmitted by a process of relay through the quickest possible means.

The district census officers will collect the totals from their respective areas which in turn, would be sent to the State director of census operations and the census commissioner in the Capital.

The director of census operations will also transmit provisional population totals for his State to the registrar-general. A tight schedule has been drawn up for transmitting provisional totals by various census officials.

The registrar-general would, thereafter, release the provisional population totals first. The State provisional population totals will be released by the respective State directors.

This would be augmented by a further release of supplementary information, on a provisional basis, giving further details of the characteristics of the population, a few months later.

Immediately after the census operation, a post-enumeration check and census evaluation study will be conducted.

The post-enumeration check would be conducted in about 4,000 sample blocks and the census evaluation study will be carried out in about 1,200 sample registration units all over the country.

Regional tabulation offices are being set up in the States for processing of census schedules for the compilation of the primary census abstract. It is expected that the primary census abstract which will give urban village data, will be completed in about a year's time.

The census enumerator will knock at every door and the respondent who is expected to be an adult member of the household would be requested to give all details about the individual members.

CSO: 4220

JUDGES RULE ON CHALLENGING ILLEGAL DETENTION ORDER

Bombay THE TIMES OF INDIA in English 16 Jan 81 p 6

[Text] "A writ of habeas corpus may be issued only when there is actual illegal detention. But this is not to say that an illegal order of detention cannot be successfully challenged."

This observed Mr. Justice C. S. Dharmadhikari and Mr. Justice S. P. Bharucha at the Bombay high court while allowing criminal applications challenging orders of detention under the COFEPOSA passed, but not executed, against three individuals.

The judges were rejecting a preliminary objection to the maintainability of the applications, raised by the advocate-general, contending that the high court's habeas corpus jurisdiction under article 226 of the constitution was exercisable only for examining the legality of a detention order when there was an actual detention, but that an order not executed was not open to challenge.

Noting that article 21 of the constitution enshrined "the most inherently fundamental of human rights, viz. the right to life and personal liberty," the judges said that under the provisions of the article, as they read it, "every person has the right to safeguard his freedom and to regain it if he has illegally been made to lose it."

Wide Enough

Article 226, the judges observed, was "couched in language wide enough to protect a person against an illegal invasion of his right to freedom by protecting him while still free...."

"We cannot countenance", they added, "that the high courts are impotent to give relief against the prospect of illegal detention and must first require the intended detenu to surrender to illegal detention".

Stating that the positions of a person who is actually under illegal detention and of one who is in "imminent jeopardy of illegal detention" were not far dissimilar, Dharmadhikari and Bharucha J.J. said that if in matters of personal liberty the courts could intervene "on the strength of a mere post-card (A.I.R. 1980 S.C. 1983), we surely can intervene on the strength of petitions".

They noted that none of the petitioners had prayed for a writ of habeas corpus and the petitions could not be said to be habeas corpus petitions "in substance". However, the court could intervene to strike down an illegal order of detention.

Two of the applications that the judges were dealing with were filed by persons sought to be detained--J. B. Shah and Syed Ahmed Hussain Bawamia, while the third was preferred by the wife of the intended detenu.

Details of Orders

The judges found that in the case of Bawamia the order was made on February 19, 1975, and that the grounds of detention were dated a month later, i.e. March 19. In the case of Shah, they found that he had been held in jail from November 14, 1975, on the basis of an order of the previous day and let off on March 22, 1977. On behalf of the authorities it was stated that the detenu's release amounted to a "revocation" of the detention order. An order declaring him an absconder was passed on November 12.

On the "admitted position" that the grounds for detention in all the three cases "were not formulated" when the detention orders were passed, Dharmadhikari and Bharucha JJ. declared that the impugned detention orders "must, therefore, be held to be void ab initio and struck down."

Mr. Ashok H. Desai with Mr. S. I. Thakore, Mr. J. R. Gagrat, Mr. C. M. Mehta and Mr. V. B. Agarwala, instructed by Messrs Gagrat and Co., appeared for two of the petitioners, and Mr. R. Jethmalani with Mr. Thaku Ajwani and Mr. S. B. Keswani represented Bawamia; the advocate-general, Mr. A. S. Bobde, with Mr. M. R. Kotwal represented the state government; and Mr. P. P. Khambatta with Mr. V. D. Govilkar appeared for the Central government.

CSO: 4220

TRIPURA REBELS REPORTEDLY TRAINED IN BANGLADESH

Bombay THE TIMES OF INDIA in English 14 Jan 81 p 9

[Text] Agartala, January 13 (PTI): The tribal extremist leader, Vijoy Kumar Hrangkhal, has admitted that some hardcore members of the Tripura Sena had crossed over to Bangladesh for being trained in arms there.

In a written statement here yesterday, Hrangkhal said he had formed the underground extremist organisation--Tripura National Volunteers (TNV)--"to wage an armed struggle against the ruling left front government in the state as I felt sure that it would never sanction an autonomous district council for the tribals.

"I asked my boys--a hard core of Tripura Sena members--to take training in arms and some of them, not exceeding 40 in number, had crossed over to the Chittagong hill tract of Bangladesh for taking training in arms there", the statement said.

Bail Granted

Hrangkhal, arrested at his home town, Ambasa, in north Tripura during the June massacre in the state, was granted an ad interim conditional bail by the chief judicial magistrate of Agartala and let out of jail custody on January 5.

In his statement, Hrangkhal said that the TNV had of late been made defunct by him as "I have started believing that the Tripura tribal problem can be solved through a democratic way of action."

He said he had already made an appeal to the underground TNV men to lay down arms and join the mainstream of democratic life.

"The TNV was neither a part of the Tripura Upajati Juba Samiti (TUJS) nor had it any link with them. It was created by me without affiliation from the TUJS and without the knowledge of the party leadership" the statement said.

CSO: 4220

CPI(M) ISSUES STATEMENT AFTER POLITBURO MEETING

Calcutta THE STATESMAN in English 14 Jan 81 p 1

[Text]

NEW DELHI, Jan. 13.—The politburo of the CPI(M) today condemned the "militancy" of the peasants and said the combined agitation of industrial workers and the urban middle class and peasants and agricultural labourers provided a front against "anti-people" policies of the Centre and State Governments.

The politburo's statement, issued at the end of its three-day meeting yesterday, drew comfort from the spontaneous movement and the peasant upsurge channelled through the coordination committee of six Opposition parties.

The politburo noted that the agitation forced many State Governments to give some concessions to peasants. However it pointed out that even the meagre promises by the Government for food grain and other agricultural products were not available to poor and middle peasants in most States.

The middle and small peasants were being forced to make distress sales of their produce. The Food Corporation refused to enter the market to guarantee the fair price fixed by the Government.

On the Assam situation, the Marxist leadership noted that it was significant that the role of imperialist agencies who aimed at separation of the northeast from India and the threat posed by them

to the unity and integrity of the country was sought to be concealed.

The latest communiqué formula of Mr A. B. Vajpeyi, president of the Bharatiya Janata Party, was no solution to the problem at all but encouragement to the secessionist and disruptive forces. It thought that the mobilisation of democratic opinion throughout the country would alone isolate secessionist forces and lead to a democratic solution to the problem.

The politburo regretted that the DMK and AIADMK had vied with each other to support the National Security Bill and despite their experience in the past, were continuing for the favour of the Congress (I).

Though Mrs Gandhi repeatedly said that her Government had no desire to change the Parliamentary form of Government she did not even chastise her party men and Ministers who were campaigning for a presidential form of Government.

The Congress (I), both at the Centre and in the States, was riven with intense factional fights, the politburo said. These groups had come to blows in all meetings and often the police had had to intervene. The friction between groups in the Congress (I) had also resulted in murders particularly in West Bengal.

CSO: 4220

NAXALITES SAID TO INFILTRATE PUNJAB SCHOOLS

Bombay THE TIMES OF INDIA in English 13 Jan 81 p 18

[Text] Chandigarh, January 12 (UNI): The law and order authorities in Punjab are feeling gravely concerned at the activities of Naxalites in the state, who are now reported to have made inroads into schools.

After having successfully infiltrated into colleges, the Naxalite activists had also found their way into the industrial training institutes in the state.

Official sources here said the educational institutions were being invaded by teachers with Naxalite learnings, primarily to influence students.

The current drive was concentrated in the districts of Bhatinda, Sangrur and Jullundur. Some parts of Ropar, Patiala, Hoshiarpur and Amritsar districts had also been included, the sources said.

The movement, the sources, said, was in pursuance of the top-secret "oil spot strategy" of the Naxalites, to enlarge their area of influence.

"Oil Spot Strategy"

The "oil spot strategy" was based on the fact that if oil was sprinkled on a bucketful of water, numerous oil spots were formed. The water, when stirred and allowed to rest, would have one big oil spot floating on the surface.

The strategy was aimed at creating small pockets of influence all over the state to unite them at a suitable time.

The sources, who believe that the recent students' agitation in Punjab was engineered by Naxalites, said they had 'adopted' strategic pockets in the low-lying backward areas along the Sutlej, the Beas and the Ravi rivers.

These areas made favourable breeding ground for Naxalites owing to their backwardness. The socio-economic condition of the people there was being exploited, the source said, adding that some of the people there were also being trained in subversive activities.

After the reported large-scale "killing" of Naxalites in Punjab in what were officially stated to be 'police encounters' in the early 70s, the activists had taken a low stance. They had now reorganised themselves, the sources said.

They did not rule out the possession of sophisticated arms by the Naxalites, some of whom were understood to be highly educated.

Meanwhile, the police were having a hard time tracing the leaders as they frequently changed their names and guise, the sources added.

CSO: 4220

OFFICIAL REVIEW DELHI CREDIT POLICY, STATISTICS

New Delhi PATRIOT in English 20 Jan 81 p 5

[Text] Mr R. N. Malhotra, secretary, Department of Economic Affairs, Union Ministry of Finance, on Monday rejected industry's claim for higher credit allocation by financial institutions in view of the overall constraint of resources, reports PTI.

Mr Malhotra said it was necessary to take a balanced, view of the credit requirements of the various sections of the economy and the available credit should be used efficiently and economically.

Opening a one-day workshop on 'credit policy for industrial growth' organised by the Punjab Haryana and Delhi Chambers of Commerce and Industry (PHD) here he said the past performance indicated that large and medium industry received substantial portion of the gross bank credit.

Mr Malhotra said the outstanding credit to medium and large industry at the end of March 1980 stood at Rs 8,341 crore and formed 39.3 per cent of the gross bank credit. The share of advances to these two in incremental non-food gross credit during July-March 1979-80 showed an increase of 37.7 per cent as against 36.9 per cent in the corresponding period of 1978-79.

Inclusive of the small scale sector, the industry as a whole accounted for 50 per cent of the gross bank credit.

In this connection, Mr Malhotra noted that in 1978-79 the total contribution of manufacturing sector together with construction, electricity, gas and water supply to the net national product stood at only 22 per cent as against 45 per cent by agriculture.

Disbursements

Mr Malhotra said the disbursements by financial institutions like IDBI, IFCI and ICICI during the period 1980-81 to 1984-85 is projected at Rs 11,335 crores, which is nearly three times the total assistance disbursed by these institutions till the end of 1978-79.

In the current financial year the disbursements by these institutions is estimated at Rs 1,515 crores.

He said while viewing the share of industry in credit, due note agriculture which contributed to should be taken of its linkages to higher industrial production through raw materials and also providing the demand base for industrial products. [as published]

Mr Malhotra said the recent policies aimed at monetary restraint are fully justified as against the industry's view because of the serious inflationary pressures since mid-1979 and also a drop in the gross domestic product during 1979-80.

Replying to industry's reference to the high rate of interest for working capital, Mr Malhotra said it depended on the rates which banks had to pay to depositors, their operational costs, and the concessional rates of interest for certain purposes.

New Scheme

On processing of loan applications, Mr Malhotra said the institutions have decided to introduce the scheme of participation certificates for term loans. Besides, it has also been decided to permit execution of power of attorney by each institution authorising the lead institutions to complete all legal documentation, including security, on their behalf instead of each of them doing this work separately.

Mr Malhotra said the government was greatly concerned at the increasing incidence of sickness in industry which was often due to inefficient or dishonest management. Besides the Government, banks and other financial institutions, the industry associations should also address themselves to this problem.

Mr R. K. Kaul, Additional Secretary, Department of Banking in the Ministry of Finance, said the economy was facing severe constraints and plan formulation took into account the material balances like forward and backward linkages. The sixth Five Year Plan was going to be resource based instead of need based.

Mr Kaul, said the Seventh Finance Commission eroded the Central Finances to a large measure.

Currently two problems were causing increasing concern to the Government. They were the balance of payments and the need for stability with economic growth.

Earlier in his presidential address, Mr K.G. Khosla president of PHD chambers said current industrial environment was shackled and fettered by unnecessary curbs and policy injunctions. There was need to improve both the qualitative and quantitative content of finance, he added.

CSO: 4220

NEW KAMPUCHEA ENVOY ISSUES STATEMENT

New Delhi PATRIOT in English 20 Jan 81 p 10

(Text) Kampuchea is ready to establish diplomatic relations with all countries on the basis of mutual respect for each other's independence and sovereignty, the first Ambassador designate of Kampuchea, Mr Dith Munty, said on Monday.

The Ambassador designate, who arrived in the capital in the morning, is expected to present his credentials to President Neelam Sanjiva Reddy shortly.

In a statement, Mr Munty said the situation in Kampuchea was irreversible. The Kampuchean people will succeed in their efforts to rebuild the nation. This is an evolution of historical events which nobody can stop. Kampuchea will proceed with its policy of peace and friendship with all people, contributing to the cause of peace and stability in the world.

The 40-year-old diplomat expressed his people's deep gratitude to India for its recognition to the Kampuchean Government 'which clearly shows the Indian people's belief that the Revolutionary People's Council is the sole and legitimate representative of the Kampuchean people, enjoys the full support of the citizens and is in full control.'

Paying tributes to India's policy of peace, friendship and nonalignment, the Ambassador designate said it was in keeping with the principles of Jawaharlal Nehru who became a hero to all freedom loving people in the world for his support to the fight against colonialism and imperialism.

His countrymen, Mr Munty said had overcome all hurdles placed in their path by the supporters of the Pol Pot's regime--who had tried to persuade world opinion to recognise the Pol Pot regime--and were now deploying their energies to rebuild the economy and to improve their life. They had made many achievements 'and are now masters of their land and their destiny.'

From Pol Pot's Prison

CNS adds: Mr Dith Munty typifies the case of intellectuals under the regime of Pol Pot. Before the Pol Pot-Leng Sary clique took over Kampuchea, he was a magistrate in Phnom Penh. After the take-over of the city, the next day, on 19 April 1975, Munty and his family were sent out to a prison camp in Kampong Thom district, about 250 km from Phnom Penh. They had to march on feet and it took 20 days to reach there.

All their personal property was confiscated and in the camp Dith Munty had to hide his identity, lest he should be eliminated as an intellectual. Nevertheless, his family did not remain unscared. In the brutal treatment in the camp, where Munty worked as a field labourer, many of his family members died. Out of his 30-member joint family, only four have survived Munty, his wife and their 2-year-old son and Munty's 69-year-old father.

After the overthrow of the Pol Pot regime, Munty and his family trekked back to Phnom Penh and reached there in February 1979. He was appointed by the Heng Samrin Government as one of the defence lawyers of the People's Revolutionary Tribunal which tried the Pol Pot regime for its genocidal crimes.

Munty later worked in different capacities and then joined the SPK, the Kampuchean news agency. Before coming to New Delhi, he was deputy director-general of SPK.

CSO: 4220

DIFFERENCES WITH MINISTRIES STALL FARM BANK OPENING

New Delhi PATRIOT in English 17 Jan 81 p 4

[Text] Calcutta, Jan 16--Although the draft bill to establish the National Bank for Agricultural and Rural Development (NABARD) is ready, differences between the concerned Ministries and Reserve Bank of India has tended to stall its opening.

The NABARD will have a share capital of Rs 100 crores, to be raised eventually to Rs 500 crores. It would lend short and mid-term funds to the State co-operative banks and regional rural banks. It would also furnish long-term credit to the cooperative and land development banks. In addition, the NABARD would route agricultural credits through nationalised banks also.

While there is no dispute over this point, there are differences over who should raise the share capital. The RBI wants the share capital to be raised equally by the Union Government and the Reserve Bank while the Ministries of Agriculture and Rural Reconstruction are in favour of drawing in the commercial and cooperative banks.

According to the RBI, wider participation of these institutions would entail payment of dividend, eroding a part of the surplus and, complicating the move for tax exemption for NABARD. This in turn, would tend to make it difficult to render credit to weaker sections on soft terms.

Another important difference pertains to the directive powers in respect of NABARD. The RBI wants that only it should have direct powers to guide the institution. The concerned Ministries, however, feel that both the Government and the RBI should be in a position to guide NABARD directly in the matters of policy.

The Ministries of Agriculture and Rural Reconstruction, want that the powers of inspection of cooperatives and rural regional banks be vested with NABARD, while the RBI, would like to be given total responsibility in this regard. The Union Cabinet has appointed a sub-committee to resolve the controversy.

CSO: 4220

CSO FAILS TO ASSESS MAGNITUDE OF NATION'S POVERTY

Bombay THE TIMES OF INDIA in English 19 Jan 81 p 22

[Text] New Delhi, January 18 (PTI). The Central Statistical Organisation (CSO) of the cabinet secretariat has virtually admitted failure in assessing the magnitude of poverty in the country.

In a study on the problem of poverty, the CSO concludes that "leave alone measurement, even the concept of poverty is complicated and raises several basic issues which are not easy to solve."

However, it concedes that the approach adopted in India for the measurement of people below the poverty line is "one of the simplest"--just measurement of absolute poverty in terms of minimum requirement of intake of calories. All the same, the approach to measurement and the basic data requirement would differ according to the concept to be followed.

It is even felt that the approach as adopted in India, except for calorie intake, overlooks other factors essential for the determination of the poverty level.

The task now before the CSO is how to obtain "even one single satisfactory measure of poverty," ignoring at this stage the definitional and conceptional differences between alternative measures.

In the nutritional requirement-based poverty, the poor are described as persons who are members of households whose per capita calorie intake falls below the average norm set for the population as a whole.

An overall average for a country of India's size, the CSO thinks, will hardly be the answer. The norm will have to be fixed for different regions taking into account the wide disparities in food habits, climatic situations and socio-economic conditions.

CSO: 4220

PROBLEMS OF LADAKH'S DEVELOPMENT EXAMINED

Bombay THE TIMES OF INDIA in English 19 Jan 81 p 7

[Article by Deepee Sharma: "Ladakh--Problems and Promises"]

[Text] Ladakh, with its rugged beauty and quaintness, may be the traveller's dream. But it is the planner's heartbreak.

The little pockets of habitation are so widely dispersed and the physical challenges so daunting that one is at a loss where to begin, being not so sure how the benefits of any investment can reach the maximum number of people.

If a hydel project is planned, the electricity can be carried to areas only in the immediate neighbourhood. Irrigation projects present the same difficulty. Yet augmentation of these facilities is imperative. At present, there is restricted supply of power from diesel-operated generators to a few areas. The irrigation facilities are skeletal, though, for both power, and irrigation, there are some ambitious on-going and proposed projects.

The clamour for more funds is justified in that the per capital benefit from investment is low because of the high costs and very low density of population two persons a square kilometre. But the emphasis should be more on efficiently utilising the available funds.

Factors which hinder this are the time taken to get materials to Ladakh, the great difficulty in transporting them across the region, the still greater difficulty in getting labour, and the generally poor supervision of projects. For the Stakna hydel project near Leh, for instance, labour has to be brought from Kerala, UP, Bihar and Nepal. These factors not only delay projects but push up costs.

The delay in itself is a big factor in raising the cost of a project as estimates have to be revised in view of the rising prices. The Stakna project, as some others, are instances of funds chasing an elusive completion. When first included in the fourth-plan, this project was supposed to cost Rs 2 crores. But the cost has now mounted to Rs 20 crores and that too if it can be completed by the new target of 1983. Otherwise the cost will leap further. Ironically the project was almost abandoned during the fifth plan when the seven-km. canal from the Indus was found to have been built with poor material.

The severe climate restricts work on projects to six months (May-October) in the year. There have been occasions when details of yearly allocations have reached Leh almost at the end of the work season. Allocations for Ladakh should be made in January.

The state is also groping around with the Rs 10-crore desert development programme which envisages schemes ranging from irrigation canals to sheep farms. In the first year of the programme, schemes of Rs 1 crore were approved. But only half the money was released and less spent. Under the seventh finance commission's recommendations, the state is now required to provide half of the total fund. The Centre is to make an equal contribution, but only when the state has made its own. According to experts, the schemes, as they are on paper, would require more manpower than the population of Ladakh.

Irrigation Network

In circumstances where benefits from major schemes are not tangible yet, there is always the temptation to make fanciful claims about achievements. The money used on disproportionately large buildings in Leh, Kargil and other places could have been better utilised elsewhere.

There has also been a tendency on the part of planners and survey teams to cry "eureka!" a bit too soon. What may look attractive when tried in the laboratory or at an experimental level may have highly limited practical application.

The answer to Ladakh's economic problem is not a few money and time-consuming projects but many small, widely-dispersed ones that can be quickly carried out. The accent should be on building what is already available and what is easily workable. Maximum utilisation of the irrigated area, minor irrigation and animal husbandry should be given special attention. Even the traditional way of channelling water from melted snow should be used to expand the irrigation network.

Animals mean a lot to the economy of each Ladakhi family. Some progress has been made in improving them by cross-breeding with imported stocks, but the projects is still mostly at the experimental farm level. Many more breeding and insemination centres need to be fast established.

The efforts to increase the production of wool should be further intensified. Wool is almost the sole raw material for the region's small-scale industry. It is the Ladakhi "pashmina" which keep Kashmir's shawl industry going. With efforts to increase the production of wool, more small-scale cloth, shawl and carpet weaving centres should be opened. That Ladakhi crafts are booked well in advance as a measure of the demand for them. Efforts should also be made to promote other traditional crafts. Tankha paintings have a great export potential.

It has been found that despite the harsh climate, poultry can be successfully raised in underground coops. This method would be widely popularised because the cost is not much.

Fodder, like foodgrains, has been a problem. Much of it is imported and sells at a very high cost. Yarkandi, a perennial grass, has been successfully grown and the fodder area increased. While experiments with other varieties are on, Yarkandi should be spread as far and wide as possible.

There is abundant and intense supply of solar energy in Ladakh. The methods evolved by the army's field research laboratory have helped vegetables grow to fantastic sizes because of the longer daylight and intense ultra-violet radiation. But the benefit of this finding is concentrated around the two urban areas.

Medicinal Plants

The Puga valley, Sokar and Chumathang areas have hot springs which, it has been found, have potential for economical energy. These areas are rich in minerals like borax, sulphur and potassium, large quantities of which have to be imported by the country. Tentative production of borax has already started. Many lakes in Ladakh have a high concentration of chemical salts. The Sokar lake, it is claimed, holds the key to the country's self-sufficiency in potassic fertiliser.

Ladakh also abounds in medicinal plants and herbs. The drug production potential can be usefully tapped.

For the development of any region, the need for education cannot be overemphasised. Scant attention is, however, being paid to this aspect. Also, the civil set-up lacks the missionary zeal which the defence people have applied to bring about a measure of change in the region. Officials posted to Ladakh go there with leave applications ready in their pockets. The problem is aggravated by widespread corruption and lethargy.

CSO: 4220

INDIA

INDO-POLISH TRADE AGREEMENT SIGNED IN DELHI

New Delhi PATRIOT in English 17 Jan 81 pp 1, 7

[Text] A new trade and payments agreement between India and Poland for the five-year period 1981 to 1985, was signed in the Capital on Friday.

Under the new agreement, the mode of payments for all commercial and non-commercial transactions between the two countries would continue to be in non-convertible Indian rupees.

Both countries also signed a trade protocol for 1981 envisaging a trade turnover of about Rs 23.04 crores both ways, indicating an increase of about 16 per cent over the trade plan targets for 1980. [as published]

The trade and payments agreements, which comes into force immediately and shall remain valid up to 31 December, 1985, was signed by Union Minister for Commerce Pranab Mukherjee and Polish Minister of Foreign Trade and Shipping Ryszard Karski.

The trade and payments agreement is substantial on the pattern of the existing agreement which expired on 31 December, 1980.

The new trade protocol was signed by Mr A. K. Mukherjee, Joint Secretary, Ministry of Commerce, and Mr Jerzy Apuscinski, Director, Polish Ministry of Foreign Trade and Shipping.

These agreements were concluded after both sides had exchanged views on further diversification of trade pattern with a view to ensuring sustained growth of bilateral trade in the coming years.

Speaking after the signing ceremony, Commerce Minister P. Mukherjee said that besides the exchange of commodities, two countries would have explore other avenues for the expansion and diversification of bilateral trade.[as published]

"We have to take concrete steps to work out modalities for productive collaborative arrangements in specific fields and for joint marketing in third countries," he said.

The Minister, who led the India team during the bilateral discussions on trade expansion here, expressed the hope that the two sides would now 'sincerely' work

out directions. "Given goodwill and sincerity on both sides, it would not be difficult to ensure optimum growth of trade and strengthen, expand and diversify economic and commercial relations between the two countries."

Polish Foreign Trade and Shipping Minister Dr Karski said that Poland had changed its export pattern for India to meet the "serious" demand of Indian goods in his country.

"The level of our exports would depend on our imports. We have to increase our export possibilities to be able to import more of Indian goods" he said.

Collaboration Offer

The Polish Minister said that his country had offered collaboration with India in several plants.

The details of such collaboration might be finalized at the next meeting of the Indo-Polish Economic and Trade Commission in Warsaw in May next, he said.

Poland is the second largest trading partner of India from amongst the East European countries, next to USSR. The trade between the two countries has registered spectacular growth since the 50's when the first trade and payments agreement was signed.

The volume of two-way trade has since risen from a meagre four million rupees in 1953 to nearly 1,217 million rupees in 1980.

In the earlier stages of Indo-Polish trade relations, trade was confined to the export of traditional agricultural products from India and industrial raw materials from Poland, but with the passage of time and with the strengthening of India's industrial base, non-traditional engineering items and manufactured products have also started moving to Poland.

Poland, on its part, has been trying to meet India's requirements of fertilizers, specially urea, sulphur, rolled steel products, power generation equipments and mining machinery.

CSO: 4220

MINORITIES COMMISSION MAKES RECOMMENDATIONS

New Delhi PATRIOT in English 18 Jan 81 pp 1, 5

(Text) Banning drills by communal organisations and rewriting textbooks from a secular and scientific perspective are among the recommendations made to the Government by the Minorities Commission.

Commission Chairman Justice M R A Ansari told UNI that the present Government had accepted the recommendations and was taking steps to implement them.

Other recommendations made by the panel and accepted by the Government are: increased recruitment of minorities to the police force and weeding out of communal elements from the force to instil a sense of security and confidence among the minorities, and recognition of the minority character of Aligarh Muslim University in accordance with Article 30 of the Constitution.

The commission has recommended that adequate relief be provided to victims of communal riots so as to remove any feelings of bitterness among them.

Mr Justice Ansari said the commission was yet to undertake an in-depth study of the causes of frequent communal outbursts in India but he personally believed that the British divide and rule policy, partition and deep-rooted socio-economic factors were mainly responsible for communal strifes.

Unless the attitudes of different communities are harmonised through a combined national effort, there is little chance of eradicating the cancer of communalism, he said.

The commission, entrusted with the responsibility of studying the problems of India's religious and linguistic minorities, had made several recommendations in its efforts to the Government for 1978 and 1979. The report for 1980 was under preparation and would be submitted in a month, Mr Justice Ansari said.

He said the recommendation about relief to riot victims was mainly for States. Riot-prone States, such as Bihar and Uttar Pradesh, had accepted it. The Tamilnadu Government, however, had not accepted the recommendation on the ground it treated communal riots as a criminal offence. The commission had urged the Centre to ensure its implementation all over the country.

It would study ways to ensure due representation of minorities in Government services and public sector undertakings measures to create greater educational facilities for the minorities, with particular reference to admission to professional institutes, steps to improve the socio-economic conditions of the minorities, and preservation of the languages of linguistic minorities.

Mr Justice Ansari said the commission was also examining ways of securing for Urdu its proper place.

On the role of the press, he said "by giving distorted reports about communal incidents and giving prominence to statements and articles which spread ill-feelings, the press was contributing to communalism."

C60: 4220

ELECTRONICS PRODUCTION PLANNED TO TREBLE

New Delhi PATRIOT in English 20 Jan 81 p 5

[Text] The electronics plan for 1980-85 envisages a three-fold increase in electronics production, according to official sources, reports UNI.

In the plan for the electronics industry during 1980-85, electronics production in the terminal year (1984-85) is targeted at Rs 18,665 million as against the production of Rs 6,695 million in 1979-80. The exports during 1984-85 are targeted at Rs 2,255 million. The industry is anticipated to grow at a compound rate of 23 per cent, compared to 15.5 per cent achieved during the previous five years.

The highest growth rate of 40 per cent is projected for the computer industry. Thrust will also be put on components industry, for which a growth rate of 23 per cent is envisaged during 1980-85 compared to 13.9 per cent achieved during 1974-80.

Each sector of the electronics industry, due to their peculiar attributes, requires a different strategy for its promotion and growth, official sources point out. Recognition of this fact is reflected in the investment plan of the department of electronics. [as published] The emphasis during 1980-85 will be on export promotion, import substitution, larger volume of production of components, and manpower development.

Due to great economic values of micro-processor development and its various applications, the Department of Electronics proposes to put greater emphasis on appropriate application of micro-processors under Indian conditions.

Thrust will be to set up a viable component base with priority to production of professional grade components required for defence and industrial applications. This step is expected to eliminate the periodic shortages of a number of components. Creation of additional capacities and modernisation of existing units incorporating latest technological innovations will be encouraged.

During 1980-85 period, the basic thrust of the electronics commission will continue broadly along the same lines as hitherto, particularly in regard to self-reliance. Special attention will be given to securing maximum production from the existing units. To upgrade the quality of electronics products in the country, the department of electronics will assist in augmenting the existing testing and development facilities.

It is also proposed to create about 2,17,000 lakhs additional jobs in the industry during 1980-85.

The estimated level of employment by 1979-80 is 1,78,000 lakhs. During the coming five-year period the additional employment generated is expected to go up to 2,17,000 lakhs.

The electronics industry has a high employment to capital ratio and therefore a high potential for employment generation, official sources point out.

At present skilled and semi-skilled workers having diploma or certificates or on job training account for more than 60 per cent of the manpower employed in the industry.

CSO: 4220

BOARD ESTABLISHED FOR UNITS WHICH ONLY EXPORT

Bombay THE TIMES OF INDIA in English 16 Jan 81 p 7

[Text]

NEW DELHI, January 15 (UNI).

THE government has set up a special board under the chairmanship of the secretary, ministry of commerce, to deal with industrial licences and other facilities for 100 per cent export-oriented industries.

An announcement of the department of industrial development in the industries ministry made today, gave details of the concessions in relation to the procedures for registering such industries.

The board will be serviced by the secretariat for industrial approvals (SIA) generally on the lines that the SIA services other approval committees like the licensing committee, the licensing committee MRTP committee and the FIB (foreign investments board).

Besides dealing with applications for industrial licences, the board will also approve proposals for foreign collaborations and import of capital goods, other than those for the Kandla free trade zone and the Santa Cruz electronics export processing zone, where 100 per cent export-oriented undertakings are proposed to be set up by applicants.

The announcement states that the board has been set up pursuant to the statement on industrial policy in July last year which announced the government's decision to consider setting up of 100 per cent export-oriented

units and request for expansion of existing units exclusively for purposes of export and for allowing higher production in areas where new export opportunities have emerged.

According to the procedure determined for such concessions, the applicants would be required to submit 15 copies of their application to the SIA, the ministry of industry and department of industrial development.

The announcement says that the board will clear these applications within a period of 30 days for the non-MRTP/non-PERA cases and within 60 days for all others.

In regard to units registered under the MRTP act, an application for industrial licence to SIA under this scheme will be treated as an application under the MRTP act and simultaneously it shall be processed by the department of company affairs so that a single point clearance is given by the board as far as possible.

The note says while cases of MRTP/PERA require approval at higher levels, the SIA will, after the board's approved recommendations are available, take such approvals as required.

The government has expressed the hope that in the context of the need to create a more favourable balance of trade by catering to the ever-growing foreign markets, entrepreneurs would avail of these concessions to set up 100 per cent export-oriented industries.

CSO: 4220

COMMITTEE ON EXPORT STRATEGY ISSUES REPORT

Calcutta THE STATESMAN in English 16 Jan 81 p 9

[Text] New Delhi, Jan. 15.--The committee on export strategy for the 1980s has, in its final report, stressed the need for increase India's export by 10% to 11% during the present decade to ensure that economic development was not hampered by shortage of foreign exchange. The committee felt that this was possible provided appropriate measures were taken.

The committee, constituted by the Ministry of Commerce in June 1979 under the chairmanship of Mr Prakash Tandon, submitted its interim report in May, 1980.

While reiterating its recommendations, the committee has made a number of new suggestions in the field of industry and agriculture. The report has analysed in detail the economic issues governing exports.

The committee has expressed concern over the rise in the demand for oil and petroleum products which constitute about 50% of the present import bill. It said the balance of payment situation facing the country was severely strained and this would limit growth prospects unless it could be properly managed.

Some of the important measures recommended by the committee for increase in exports are availability of exporters, access to raw materials at international prices, measures designed to increase export profitability, improvement in quality and delivery schedules, increase in exportable surpluses and a change in the role of public agencies engaged in the export effort.

In regard to industrial exports, the committee has welcomed the Government's acceptance of its important recommendations in the interim report and made some new suggestions to increase the exports of projects, consultancy services and public sector undertakings. It has recommended that the industrial units which export more than 25% of their products continuously for a period of three years should be allowed to import duty-free capital goods.

The committee has also suggested some fiscal concessions or encouraging investment in export production. The report also contains a number of recommendations in regard to important export-oriented industries like electronics, leather and leather goods, gem and jewellery, chemical and chemical products, textiles, sport goods and fabricated mica.

Special Facilities

The committee has recommended special facilities for small manufacturers' exports and given detailed recommendations for improvement in infrastructure, including banking and maritime services. The committee has also suggested restructuring of the export processing zones, export houses, trading houses and the cash compensatory support.

In regard to agricultural products, it has suggested the setting up of revolving fund to increase the production of export-oriented crops. [as published] The committee has given its recommendation for setting up and improvement in the export management functions of the Ministry of Commerce.

On the concept of exportable surpluses, the committee has pointed out that these do not always arise automatically. Sometimes when there is a shortfall in production or indigenous production on an adequate scale is yet to be developed, there tends to be a temporary conflict between domestic consumption and export. Since export markets once lost can hardly be regained, a part of the production must always be made available to earn needed foreign exchange through, if necessary, temporary restraints on home consumption.

The committee has stressed the need for building up an up-to-date information system, especially for encouraging experts of engineering projects and services.

The committee has pointed out that a large part of the export target for electronics will have to be fulfilled by the Santa Cruz electronics export processing zone. The facilities available at the zone are far below the facilities offered by other similar zones in the neighbouring countries. The major areas in which incentives and facilities need to be upgraded are on-the-spot delegation and centralization of decision making authority on all matters pertaining to setting up of units such as imports production and exports. The committee has recommended that the zonal authority should be competent to give clearance on-the-spot including central customs and excise matters.

The committee also felt that for increasing the exports of consumer items like radio receivers, tape recorders, cassette players, television and public address systems, design changes should be encouraged, adequate production and testing facilities provided and quality and technology be upgraded. [as published] It has pointed out that there is a large scope for promoting joint ventures in the developing countries in electronics with or without cooperation from third countries in developed world.

The committee has suggested that the system of clearance of joint ventures in electronics should be entrusted to a separate board. This is necessary because of the need to have an integrated organizational approach to the growth of the electronics industry.

Regarding exports of leather and leather goods, the committee felt that there should be optimal utilization of domestic hides and skins and liberal imports should be allowed to improve availability of raw materials. Export of sophisticated products like shoes, leather woollen garments, jackets, overcoats and fashion textile garments, etc should be encouraged through foreign technical collaboration and marketing arrangements. [as published]

Regarding exports of gem and jewellery, the committee has recommended that liberal treatment in imports of raw materials should also be extended to imports of machinery, testing apparatuses and synthetic stones.

There is large potential for increasing exports of chemicals and drugs to developing countries in Asia, Africa and South America provided more attention was paid to research and development of natural products.

CSO: 4220

SIXTH PLAN HAS SCHEMES TO IMPROVE QUALITY OF LIFE

New Delhi PATRIOT in English 20 Jan 81 p 5

[Text] A number of new schemes for making use of science and technology for improving the quality of life of the weaker sections, including rural women, are included in the sixth Plan, reports PTI, quoting official sources.

The Department of Science and Technology has been entrusted with the implementation of the schemes. These are in addition to the existing programme for development of science and technology.

The new schemes with a total outlay of Rs 19 crore are: (1) schemes for development of Scheduled Castes and Scheduled Tribes in science and technology areas; (2) science and technology for women; (3) state councils for science and technology; (4) intensification of research work in high priority areas; and (5) promotion of science interest in youth.

Taking into account that science and technology can play a major role in improving the living conditions of the weaker sections of society, particularly the Scheduled Castes and Scheduled Tribes, and landless labour, a specific scheme involving the improvement of relevant technologies which will help in upgrading the skills of these sections is being evolved.

The scheme is aimed at people engaged in trades and professions, such as leather technology, textiles (weaving and dyeing), food (fishing and toddy), rural engineering (blacksmith, carpentry), waste collection, handicrafts, transport and haulage and agriculture.

Specific projects or programmes will be launched making use of the existing infrastructure in the country as well as the motivated research groups, who will assist in developing relevant technologies for use by the weaker sections.

The programme will be coordinated with other Ministries which are also concerned with the broad objectives of the scheme.

The scheme for women has two broad aspects. One relates to improving the drudgery of the work content of rural women through appropriate utilisation of science and technology. The other aspect involves improvement in the conditions of working women scientists by providing them suitable opportunities for their increased participation in national science and technology activities.

The department has been promoting research in inter-disciplinary and frontier areas of science and engineering through the existing Science and Engineering Research Council. While the above activity of time-bound research projects is to continue during the sixth Plan, it is being increasingly felt that there is an urgent need for establishing viable user groups around outstanding scientists in various institutions and areas of great relevance and potential for scientific development in India.

This new scheme will undertake selective intensification of scientific research in high priority areas in life, chemical, physical and engineering sciences.

One of the new schemes envisages setting up of Councils for Science and Technology in the States. This is being done to give a fillip to science and technology activities at the State level. The Department of Science and Technology will provide appropriate catalytic support to enable the States to establish such councils. The detailed role of these councils and their organisational structure is at present being discussed at the inter-state level to arrive at broad guidelines for the implementation of the scheme.

Another new scheme is for promoting scientific interest in the youth. The scheme envisages the involvement of young scientists of the age group 25-35 in science and technology activities. A specific scheme is being worked out to enable active involvement of younger scientists in the organisation of seminars, symposia, their participation in national and international conferences, special research schemes for young scientists and involvement of young scientists in discussing science and technology policy issues.

At the recently concluded Indian Science Congress at Varanasi, a special session was held where a group of young scientists discussed with the Secretary, Department of Science and Technology and the member, Planning Commission, their problems concerning pursuit of science and technology, in their individual careers.

Suggestions from such groups are being taken to evolve appropriate mechanism to actively involve young scientists in national science and technology activities.

CSO: 4220

SIXTH PLAN HAS GREATER OUTLAY FOR MINIMUM NEEDS

Madras THE HINDU in English 17 Jan 81 p 6

[Text]

NEW DELHI, Jan. 15.

The outlay on the minimum needs programme (MNP) for the Sixth Plan will be Rs. 4,924 crores. The share of the 22 States will be Rs. 4,756 crores and that of the Union Territories, Rs. 168 crores.

The programme is being given a push in the Sixth Plan. The outlay in the Fifth Plan for MNP was Rs. 2,607 crores.

Under the guidelines issued by the Planning Commission to the State Governments, special emphasis has been laid on (i) making available safe drinking water in all problem villages (villages which are 1.6 km away from potable water sources), (ii) extension of medical facilities to every village and (iii) simultaneous expansion of electrification, road works, education, and housing in rural areas and environmental improvement of slums.

MNP expansion has been made to attack poverty because of the magnitude of the problem.

According to the data collected by the National Sample Survey Organisation (NSSO), about 48.13 per cent of the total population are estimated to be living below the poverty-line in 1977-78.

In the Sixth Plan, apart from the general development programmes in agriculture, industry and power which benefit all, programmes for small and marginal farmers, landless labourers, Scheduled Castes and Tribes, hill areas, etc., are being given more emphasis.

Other programmes for the rural poor are the National Rural Employment Programme and the 20-point programme.

CSO: 4220

COMMITTEE FOR HILLY AREA DEVELOPMENT ESTABLISHED

New Delhi PATRIOT in English 19 Jan 81 p 5

[Text]

A SPECIAL committee has been constituted by the Planning Commission to ensure socio-economic development of hilly areas, reports UNL.

Announcing this on Sunday Planning Minister N D Tiwari said Prime Minister Indira Gandhi would be the Chairman of the committee.

Inaugurating an exhibition of wool products organised by the Garhwal Awasakir Janjati Vilas Niigam, Mr Tiwari said the committee would help "mobilise maximum possible efforts in quickening the tempo of development in the hilly regions."

He said the sixth Plan would allocate a record outlay of Rs 500 crore for the development of hilly regions in Uttar Pradesh.

Uttar Pradesh Hill Development Minister Chandra Mohan, who presided over the function, said the Government would launch

productive schemes to increase the purchasing power of highland peasants.

In a letter to Chief Ministers, the Union Minister asked them to see that the newspaper industry implements the Palekar tribunals recommendations without further delay.

He said apprehension have been expressed that some of the establishments might not implement the recommendations or they might delay implementation.

"As enforcement is in the hands of the State Governments, I would therefore, request you to use your good offices to see that the recommendations accepted by the Government are implemented without further delay," he said.

CSO: 4220

INCREASE IN PRICES OF PETROLEUM PRODUCTS ANNOUNCED

Calcutta THE STATESMAN in English 13 Jan 81 p 1

[Text] New Delhi, Jan. 12.--The Government tonight announced an increase in the prices of petroleum products which would fetch an estimated Rs 1,200 crores for the exchequer.

The price increase takes in its sweep the poor, who have to pay 10 paise a litre more for kerosene, the housewife to whom a gas cylinder will now mean Rs 5.03 extra and the air traveller who should not be surprised by a higher fare since the domestic airline, already faced with high fuel costs, will have to pay Rs 320 a kilolitre more for aviation fuel.

Taxis and auto-rickshaws may also have to raise their rates--in fact the State Governments have been advised to review their fares.

Thus from tomorrow, the price of kerosene will go up by 10 paise a litre, cooking gas by Rs. 5.03 for a 15-kg cylinder and petrol, high-speed diesel and light diesel oil by 37 paise a litre each.

In Delhi, the price, including tax, of kerosene will now be Rs 1.65 a litre, of petrol Rs 5.48 a litre, high-speed diesel Rs 2.67 a litre, and domestic gas Rs 45.28 a cylinder.

The price of furnace oil for non-fertilizer use has also been raised by 33 paise a litre. The furnace oil for fertilizer will cost 21 paise a litre more.

Naphtha for fertilizer use will be costlier by Rs 300 a metric ton. Naphtha for non-fertilizer use will cost an additional Rs 100 a ton.

Prices of lubricants of different grades have also been increased by about 35 paise a litre, the exact amount varying for each grade.

Bitumen and aviation turbine fuel will cost more to the extent of Rs 235 a ton and Rs 320 a kilolitre, respectively.

A number of other special products like wax, benzene, toluene, jute batching oil, raw petroleum coke, carbon black feedstock, phenol extract, aromex and solvents will also cost more. The announcement was made late tonight after a Cabinet meeting in the evening which approved the price increase.

A warning about the imminent rise in the prices of petroleum products had been given repeatedly by Government spokesmen as a consequence of the price hikes which had taken place since June last year. With Iran, which used to supply the bulk of the country's oil imports, waging an war with Iraq, India had a resort to spot market purchases of crude and petroleum products at high prices. [as published] The continued blockade of oil from Assam also contributed to the present price increase.

The average price of imported crude is now \$36 a barrel instead of \$32 a barrel at the time of the last price increase in June.

Even with the current price increase the entire burden on account of the international oil price hike has not been transferred to consumers. In fact, on the price of kerosene particularly there is an element of subsidy by the Government.

The rise in the prices of petroleum products has evoked sharp reactions from different sections of consumers in the capital, adds UNI.

They expressed fear that the price increase would inevitably have an all-round cost-push impact, hitting hard the already overburdened common man.

A taxi-driver felt that the price hike would affect his clientele. "Already, the number of passengers has come down. God alone knows that is in store for us now," he said. [as published]

A housewife was greatly sore over the increase in cooking gas price. She said: "Even otherwise it is difficult to obtain a gas cylinder. Now it would require more to keep the stove burning."

CSO: 4220

COMMUNISTS, OTHERS REACT TO OIL PRICE RISE

New Delhi PATRIOT in English 14 Jan 81 pp 1, 13

[Text] Calcutta, Jan 13.

West Bengal Chief Minister Jyoti Basu in a telex message to Prime Minister Indira Gandhi today said that he was deeply shocked to learn that the Central Government again raised the prices of petroleum, diesel kerosene oil, cooking gas, lubricants, etc.

Mr Basu felt that this increase in prices would cause further inflation and acute sufferings and hardship to common people.

The Chief Minister "strongly recorded my protest against this anti-people policy" and declared "I demand immediate withdrawal of this price rise decision".

Meanwhile, bus and taxi operators have started clamouring for relief and concessions, in view of the latest rise in prices of petroleum and petroleum products.

Atrocious: CPI

The Communist Party of India (CPI) on Tuesday termed the hike in the price of petroleum products as "atrocious" and demanded the Government to take over the distribution of foodgrains and other essential commodities, reports UNI.

In a situation of "galloping inflation", CPI national council secretary N K Krishnan said in a statement, a viable public distribution system for all essential commodities and agricultural inputs had become "a life-and-death question".

This would not be possible unless the Government took over wholesale trade in foodgrains and extended the public sector into the field of consumer industries, he said.

The galloping inflation has rendered the life of the common man unbearable. Despite factuous statements periodically issued by Cabinet Ministers, the inflationary spiral has continued unabated. The latest hike in prices will still further push up prices all-round, it adds.

The Left and Democratic parties must step up the mass agitation and mass movement for the immediate setting up of a viable public distribution system on this basis.

The statement continued: Side by side has come the announcement of a series of far-reaching concessions to makers of black money. The CPI denounces these concessions as nothing but atrocious. These have come in the wake of a series of similar massive concessions to the monopoly houses and to the multi-national corporations that have come from the present Central Government ever since it came to power a year ago. It all forms part of the retrograde economic philosophy of this Government, it commended and added that the CPI will fight for the reversal of this policy if the nation is to be saved from ruin and chaos.

Cong-U Threat

The Cong-U has 'condemned' the price hike of petroleum products and has threatened to launch a country-wide movement against "the anti-people policy" of the Government.

Party joint secretary Bhim Singh said at Narela that the increase in the prices of kerosene, diesel oil and cooking gas had directly hit the working class, salaried employees and marginal who had no black money.

The Delhi units of Bharatiya Janata Party and the Lok Dal have also condemned the price hikes.

CSO: 4220

COAL INDUSTRY URGED TO USE INDIGENOUS EQUIPMENT

Calcutta THE STATESMAN in English 13 Jan 81 p 7

[Text] Durgapur, Jan. 12.--Mr P. A. Sangma, Union Deputy Minister for Industry, appealed to the coal industry to utilize the available capacity of units producing mining equipment and machinery and suggested that the latter be given a longer time for procurement of raw material.

Mr Sangma, who inaugurated a three-day seminar organized by the Mining and Allied Machineries Corporation, said the Government had received complaints that the coal industry placed orders with the indigenous producers but did not give them sufficient time. When they failed to meet the deadline the industry went in for imports.

The coal companies, on the other hand, maintained that as the indigenous manufacturers were not able to adhere to their delivery schedule and as the production targets were to be achieved "at all costs" import of equipment was justified.

Mr Sangma suggested bunching of orders be avoided to ensure better utilization of units manufacturing mining equipment. He said he was convinced that the equipment manufacturers had export capability. He wanted the coal industry to go in for import of equipment only when necessary.

Mr D. R. Shastri, chairman-cum-managing director of FAMC, said good response from foreign countries would make the seminar successful. More than 150 delegates, including experts from the Soviet Union, West Germany, Britain, Poland and the Netherlands, are attending the seminar.

PTI adds: India and Britain are considering a proposal for collaboration in the construction of new mines, involving design, engineering, equipment supply, training and finance, according to Sir John Thomson, British High Commissioner in India.

In a message to the seminar, Sir John referred to Indo-British cooperation in the vitally important sector of coal mining and said yet another example of Britain's interest in this area was the forthcoming visit to India--from January 30 to February 17--of a 23-member mission from the Association of British Mining Equipment Companies.

He said the aim of the mission was to strengthen ties with Coal India and Indian manufacturers and to establish new ventures.

CSO: 4220

SOVIETS TO COLLABORATE IN OPENCAST PROJECT

Bombay THE TIMES OF INDIA in English 19 Jan 81 p 13

[Text] Dhanbad, January 18: Bharat Coking Coal Limited has been restructured into three territorial and administrative divisions--western, eastern and a division for the reconstruction of Jharia.

The Jharia reconstruction scheme will take up the Mukunda open cast project soon with Soviet collaboration. This will open the world's largest open cast mine covering the area south of Jharia from Lodra to Baliapur. The entire area containing coal seams will be dug to a depth of 590 metres. The preliminaries of the project were discussed by Indian officials and the Soviet deputy prime minister during the latter's recent visit to this country.

The annual production at the project is estimated to be about 12 million tonnes.

Giving the information, the BCCL chief, Mr R. G. Mahendru, told this correspondent that the three divisions had been formed for administrative and jurisdictional convenience.

The western division will be placed under Mr J. D. Rai, who is now in charge of Sigrauli coalfields of the Central Coalfields Ltd. The Eastern division will cover Monidih and Sudamdh projects and will be placed under Mr S. R. Prasad, currently BCCL's technical director.

The third division for reconstruction of Jharia and deep shaft sinking projects will be placed under Mr U.S. P. Sinha, at present BCCL's corporate planning director.

All the washeries will be directly under the chairman, Mr Mahendru, for legal formalities but will be looked after by the respective directors in charge on locational basis.

CSO: 4220

SELF-SUFFICIENCY IN ZINC EXPECTED BY 1985-86

Madras THE HINDU in English 13 Jan 81 p 10

(Text)

VISAKHAPATNAM Jan 12.

The Hindustan Zinc Limited (HZL), a public sector undertaking, will produce annually precious metals like 1.5 kg of gold in Visakhapatnam and 17 tonnes of silver from its three plants at Debari in Rajasthan, Visakhapatnam in Andhra Pradesh and Tundoo in Bihar by 1981-82.

Giving this information to pressmen here on Sunday, Mr. R. P. Kapoor, Chairman and Managing Director, Hindustan Zinc Limited, said this would be possible following the plan to set up a silver extraction plant in Debari with a financial outlay of Rs. 11 crores. For the first time, silver would be extracted from zinc and the plant with an annual capacity of 8.5 tonnes, would go into production by 1982-83.

He said the investment decision on the proposed super zinc plant in the West Coast at an outlay of Rs. 225 crores would be taken in 1982 and work taken up by 1983. When commissioned, the plant would produce one lakh tonnes of zinc and 5,000 tonnes of lead, he added.

Mr. Kapoor said the zinc and lead ore available from the Rampur Agucha Mines in Rajasthan would be utilized for this plant and added that the feasibility report on it was complete.

The Chairman said if the HZL's expansion programme was completed as per the schedule, the country would reach self-sufficiency in zinc and 50 per cent of its lead requirements by 1985-86.

The country would require 1.20 lakh tonnes of zinc and 60,000 tonnes of lead by the end of the Sixth Plan and the HZL could produce 15,000 tonnes of zinc and 11,000 tonnes of lead by 1981-82 as per its existing capacity.

Referring to the price of zinc and lead in the international market, he said there was a slump while the cost of inputs like power, water and labour were going up in India.

He said the Visakhapatnam plant had incurred a loss of about Rs. 3 crores during last year mainly due to the heavy import duties paid on imported zinc concentrate and high power rates. However, the HZL made an overall profit of Rs. 8.76 crores last year and this year, the profit was likely to go down following low production in Visakhapatnam and Debari as a result of a 35 per cent power cut.

M. Kapoor said the expansion programme for the Visakhapatnam lead plant from 10,000 tonnes to 20,000 tonnes capacity per annum with an outlay of Rs. 7.7 crores had been approved and the work taken up.

The Chairman said the zinc and lead mines in Aspara Dantia (Rajasthan) and Sanppali (Orissa) would be commissioned soon to supply zinc ore to the Visakhapatnam plant so that the import of zinc concentrates could be stopped.

CSO: 4220

LARGE INCREASE IN BUFFER FOODGRAIN STOCK PLANNED

Bombay THE TIMES OF INDIA in English 18 Jan 81 p 12

[Text]

NEW DELHI, January 17.

THIS Union government has decided to increase the buffer stock of foodgrains from 12 million tonnes to 15 million tonnes in the next few years in view of the growing demand from the public distribution system. This will be in addition to the operational stocks which may vary from eight to ten million tonnes or more.

According to the estimates made by the Food Corporation of India (FCI), the total grain stock in the country on December 15 last was over 12.3 million tonnes, including about 5.43 million tonnes of wheat and 6.88 million tonnes of rice. It may have increased slightly by now as the procurement of rice in the current kharif marketing season is still continuing.

The managing director of the FCI, Mr. K. V. Sethadri, told reporters on Thursday that the FCI would be able to manage a larger grain stock by augmenting its storage capacity. At present, the FCI had a total storage capacity of about 21.8 million tonnes,

including 15.65 million tonnes of covered and 3.95 million tonnes of open storage capacity.

The planning commission had approved the augmentation of the FCI's covered storage capacity by about two million tonnes during the sixth plan. Besides the Central and state warehousing corporations were being called upon to make available another two-million-tonne storage capacity to the FCI to meet its requirements during the plan period, he said.

Mr. Sethadri said last year, for the first time, the country drew upon the buffer stocks of grain that had been built up since 1976 in order to meet the increased demand as a result of the 1979 drought. There was a substantial increase in the offtake of foodgrains both for the public distribution system and the food-for-work programme.

The actual offtake of foodgrains from the Central grain pool in the first 11 months of 1980 was around 14 million tonnes, against a total offtake of 10.7 million tonnes in 1979 and 8.7 million tonnes in 1978.

CSO: 4220

MINISTRY OFFICIAL DEFENDS WHEAT ALLOTMENT POLICY

Madras THE HINDU in English 17 Jan 81 p 7

[Text]

NEW DELHI, Jan. 16.
 Rationalisation of wheat allotment to States will continue despite protests from State Governments and complaints from the roller flour mills industry that this had resulted in reduced availability of wheat and wheat products.

Mr. B. S. Raghavan, Additional Secretary in the Union Food Department contended at a press conference here, that under the scheme of rationalisation there had been reduction in allotment but not in supplies.

According to him, rationalisation was aimed at matching allotment with the actual consumption needs so that there was no misuse of the quantities supplied in excess of the need.

Until July 1980, the Centre had been allotting whatever quantity was demanded by the States. But, a review of actual offtake from the public distribution system showed that the States had pitched their demands in excess of actual needs, with the result that the excess stocks lent themselves to misuse.

Matching allotment with actual consumption needs did not amount to reduction in supplies, he asserted.

Mills have no case: Mr. Raghavan characterised the complaints of the roller

flour mill industry as "false propaganda" to create confusion and artificial shortage of products.

The installed capacity of the industry was six million tonnes but over the past three years capacity utilisation had been between 46 per cent and 48 per cent. In the past, wheat allotment to roller flour mills was made on the basis of the installed capacity, at the rate of five lakh tonnes a month. But the industry's performance in the last three and a half years revealed that it used only 2.8 lakh tonnes of wheat a month.

The actual allotment had now been reduced to this level of actual utilisation. If, in the last three years, there had been no shortage of wheat products when industry used only 2.8 lakh tonnes of wheat a month, how could there be a shortage now when the same level is being maintained? Mr. Raghavan asked.

The Government, he said, felt that the time had come to marshal the stocks in a prudent manner and hence it was decided to match allotment with actual consumption needs. If there was any word to describe this exercise, it was "rationalisation", not "reduction" in allotment.

CSO: 4220

GOVERNMENT PLANS RENEWABLE ENERGY PILOT PLANTS

Bombay THE TIMES OF INDIA in English 17 Jan 81 p 1

[Text] New Delhi, January 16 (PTI): The government has proposed to launch a massive project on alternative energy under which a renewable energy station will be set up in each district in the country.

Announcing this, the minister of state for science and technology, Mr C.P.N. Singh, told newsmen today that the plant would produce energy from biomass, wind, tidal or solar power.

A renewable energy pilot plant would be set up in each of the 350 districts within two years, Mr Singh said.

The minister said the project had been proposed to decrease India's dependence on oil in the long run.

Once the pilot plants are set up in each district, the communities themselves must organise and set up more such plants in their areas, Mr Singh said.

Several of these alternative energy systems are already on hand with the department of science and technology, he said.

Mr Singh said the energy commission with Prof. M. G. K. Menon as head, is being constituted to evolve an overall energy policy, promote the growth of alternative energy sources and to suggest ways for conserving energy.

CSO: 4220

BRIEFS

NAVAL EXERCISES--Bombay, Jan 16--The Prime Minister, Mrs Indira Gandhi yesterday witnessed, what she described as a "thrilling experience" exercises by the Indian Navy off Bombay coast in which 30 ships, aircraft, helicopters and submarines participated. An account of the exercises, showing the prowess of the Navy and the sophisticated weaponry fitted on board INS Rajput, the latest acquisition of the Navy, was provided by the Western Naval Command late in the night. Newsmen were not invited to witness the exercises. Mrs Gandhi, who is also Defence Minister, spent about five hours with the Navy yesterday before her return to New Delhi. The Prime Minister boarded INS Mysore, former flagship of the Indian Navy, early in the morning. She was received by Admiral R. L. Pereira, Chief of the Naval Staff, Vice-Admiral V. E. C. Barboza, Flag Officer Commanding-in-Chief, Western Naval Command and other senior Naval officers. Even before the armada sailed out the offshore exercise area, she witnessed a display of clandestine underwater operations by naval frogmen.-- PTI [Text] [Madras THE HINDU in English 17 Jan 81 p 9]

MANIPUR PARTY DISTRIBUTION--Imphal, Jan 17--Five Congress (U)-MLAs in Manipur have joined the Congress(I) raising its strength to 39 in the 60-member State Assembly, according to the MPCC(I) general secretary, Mr T. Tunadhwaja Singh, reports PTI. Mr Singh, in a statement here today, said that all these members who had joined the Congress(I) had expressed their faith in the leadership of the Prime Minister, Mrs Indira Gandhi, in separate letters to the State CLP leader. The members are: Mr I. Thompok Singh, Mr Haokholet Khongsai, Mr I. Amu Jao Singh, Mr Angou Singh and Mr Mohamuddin. The party-wise break up in the Assembly now is: the Congress(I) 39, the Congress(U) one, Manipur People's Party 13, the CPI five, the CPI(M) one. One seat is vacant due to the death of a member. [Text] [Calcutta THE SUNDAY STATESMAN in English 18 Jan 81 p 1]

KARNATAKA CONGRESS CHIEF--Bangalore, January 18--Mr D. B. Chandre Gowda was today unanimously elected president of the Karnataka unit of the Congress(U). He is also the leader of the opposition in the legislative council. Mr Gowda takes the place of Mr Harnahalli Ramaswami who resigned from the Congress (U) and joined the Congress (I) last year. The post had been held till now by Mr Y. Ramachandra, vice-president, on an ad-hoc basis. A former MP, Mr Gowda had vacated the Chickmagalur Lok Sabha seat for Mrs Gandhi while he was in the Congress(I). The Congress(U) is heading a democratic front, including the CPI, the CPM and the Lok Dal, which has organised a Maharashtra-type long march of farmers from Nargund in Dharwar district to Bangalore. The long march was reportedly nearing Hubli tonight. The general body of the Congress(U) in the state has endorsed the party's participation in the long march. [Text] [Bombay THE TIMES OF INDIA in English 19 Jan 81 p 7]

LEANDER FRIGATE MODEL--New Delhi, January 18 (PTI)--A model of the indigenously made Leander-class frigate "taragiri" will be displayed for the first time at the Republic Day parade this year. The frigate assembled at the Mazagon Docks and weighing about 4,000 tonnes, is capable of receiving a Sea-King helicopter on board which it can, by radar, guide to its target. The frigate has an assisted takeoff and recovery system (ATRS) which helps it to guide the helicopter and help it in its anti-submarine operations. The helicopter can also be guided under adverse weather conditions. [Text] [Bombay THE TIMES OF INDIA in English 19 Jan 81 p 9]

FOREIGNERS IN MEGHALAYA--Shillong, January 18 (UNI)--Persons housing foreigners without informing authorities in Meghalaya will be penalised, a government press release said yesterday, quoting the deputy chief minister, Mr S. D. Khongwir. It said that notices would be served to house owners in Meghalaya to report to the nearest police station about the presence of persons of doubtful nationality. A penal clause would be inserted in the notice for a person's failing to comply. The government is also planning to scrutinise the names of persons of doubtful nationality before including them in the state's electoral rolls, according to the press release. [Text] [Bombay THE TIMES OF INDIA in English 19 Jan 81 p 9]

NEW AIR VICE MARSHAL--Air Commodore B S Sikand has been promoted to the rank of Air Marshall and appointed Air Officer Commanding, Jammu and Kashmir, reports UNI quoting an official release. Commissioned in the Indian Air Force on 14 October 1950 he has flown a variety of fighter aircraft. During 1971 operations, he commanded a Gnat squadron which took active part in the operations. [Text] [New Delhi PATRIOT in English 20 Jan 81 p 5]

NEW MEGHALAYA MINISTER--Shillong, Jan 19 (UNI)--Mr Albinstone M. Sangma, a Cong-I member of the Meghalaya Assembly, was today sworn in as a Cabinet Minister of the State. Mr Sangma, hailing from Garo Hills, was given the portfolio of Soil Conservation and Border Areas Development. The oath of office and secrecy was administered by Governor L P Singh at a simple ceremony at Raj Bhavan here this morning. Chief Minister Lyngdoh, some of his Cabinet colleagues and other dignitaries were present at the function. The inclusion of Mr Sangma in the 624-day-old Ministry of Mr Lyngdoh has brought the strength of the members of the Cabinet to 16--13 Cabinet Ministers, including the Chief Minister, and three Ministers of State in the two-tier Meghalaya Ministry. Chief Minister Lyngdoh said his was the final expansion. [Text] [New Delhi PATRIOT in English 20 Jan 81 p 10]

AIR MARSHAL'S ASSIGNMENT--Air Marshal I. S. Chhabra has taken over as air officer commanding-in-chief, IAF, maintenance command at Nagpur, from Air Marshal G. V. Cole, who has been transferred to Air Headquarters, New Delhi, as deputy chief of Air Staff. Commissioned in 1950, Air Marshal Chhabra has had a distinguished career with varied experience in the operational, administrative and training roles. He has served in transport, maritime and bomber squadrons. During the 1971 conflict, Air Marshal Chhabra commanded a tactical air centre in the northern sector and was awarded the Ati Vishisht Seva medal for his exemplary work. He is a graduate of the Defence services staff college and the National Defence College. He is at present the seniormost navigator in the Air Force. Air Marshal Chhabra was the air officer commanding, maritime air operations, in Bombay, prior to taking over his present appointment on promotion. [Text] [Bombay THE TIMES OF INDIA in English 18 Jan 81 p 5]

TRIPARTITE ASSAM TALKS--CPI leader Bhupesh Gupta on Monday appealed to the leaders of the AASU and AAGSP to accept the invitation for the tripartite discussion without any precondition and urged to the Centre to send the invitation. In a statement, Mr Gupta supported the joint statement issued on 18 January by seven political parties in Assam in which they had, among other things, disapproved of the wrong stand taken by the sponsors of the agitation. Mr Gupta said that the stand of the seven parties met with the interest of the people of Assam as well as very correctly articulated the desire of the entire country. He said that Assam agitation leaders should realise that the continuance of the agitation could do no good to the people of the state or facilitate an agreed solution. 'We repeat that such a solution can be found only at the negotiating table for which all concerned must sincerely put their heads together and display constructive wisdom,' he said. [Text] [New Delhi PATRIOT in English 20 Jan 81 pp 1, 7]

EXTREMISTS ATTACK SECURITY FORCE--New Delhi, 28 Jan (AFP)--A group of extremists, believed to be members of the insurgent Meitheis, and the security forces were involved in a heavy exchange of fire in the tiny northeastern frontier state of Manipur last night, it was reported. The army has been conducting an extensive combing operation against the extremists in the state for the past several months. The reports from Imphal, Manipur's capital, quoted official sources as saying that casualty, if any, was not known yet. The incident took place at Litantbong when a security force vehicle was suddenly attacked by the armed extremists. [Text] [OW281946 Hong Kong AFP in English 1918 GMT 28 Jan 81]

MUSLIM UNIVERSITY CLOSED--The Aligarh Muslim University has been closed indefinitely. The students have been asked to vacate the hostel within 12 hours. The district magistrate of Aligarh told the All India RadioAligarh correspondent that for the last 10 days students have been agitating and gheraoing [besieging] the vice chancellor. A number of students have been arrested. [Text] [BK311253 Delhi Domestic Service in English 1230 GMT 31 Jan 81]

ENVOY TO ROMANIA--Kanwar Gajendra Singh, presently ambassador of India to Senegal, has been appointed ambassador of India to Romania in succession to Asok Kumar Ray. [Text] [BK311529 Delhi ISI Diplomatic Information Service in English 1525 GMT 31 Jan 81]

ENVOY TO YEMEN ARAB REPUBLIC--Dharam Paul Pasricha, presently first secretary in the Embassy of India, Islamabad, has been appointed ambassador of India to Yemen Arab Republic in succession to Bansi Dhar Goswami. [Text] [BK311529 Delhi ISI Diplomatic Information Service in English 1526 GMT 31 Jan 81]

OPEC LOAN--The OPEC has approved an interest free loan of 240 million rupees to India for the second Bombay high project. The finance ministers of OPEC decided this in Vienna on 31 January. The loan will be for 20 years with a grace period of 5 years. The World Bank, the co-financier of the project, will advance 320 million rupees. The total cost of the project is estimated to be 6.6 billion rupees. [BK311529 Delhi Domestic Service in English 0830 GMT 31 Jan 81]

PETROLEUM COKE FROM ROMANIA--India is to import 100,000 tons of raw petroleum coke from Romania during the current year. An agreement to this effect has been signed in Bombay between the Indian Oil Corporation and Petrol Export of Romania. [Text] [BK051209 Delhi ISI Diplomatic Information Service in English 0850 GMT 5 Feb 81]

BOMBAY HIGH OIL--Production of Bombay high is to be stepped up from 12 million to 17 million tonnes a year. A French consultancy team will be visiting India in March to assist the possibility. This was stated in London on 4 February by petroleum and chemicals minister P.C. Sethi. [Text] [BK051209 Delhi ISI Diplomatic Information Service in English 0849 GMT 5 Feb 81]

ELECTRONICS TASK FORCE--Mr B. Nag, chairman, Electronics Commission, Government of India, said in Calcutta on Saturday that steps were being taken to make India self-reliant in electronics within 10 years. Speaking at a seminar Electronic components, he said, that according to the strategy, the country should become competitive in selected sectors of electronics within the same time span. [as published] An inter-departmental task force had been set up in 1980 to look into the right-type of technology and factors of production, he said. The electronic component sector should commit itself fully to all approvals and investment decisions by 1985 to achieve the target of Rs 1,200 crores by 1990, he added. The present level was Rs 160 crores. The seminar was organized by the Bharat Chamber of Commerce. [Text] [Calcutta THE STATESMAN in English 13 Jan 81 p 7]

PAKISTAN ENTRY REQUIREMENTS--New Delhi, Jan. 13. Indians visiting Pakistan will, from February 1, be required to hold a minimum of 45 U.S. dollars or its equivalent in authorised foreign exchange as a condition for entry into the country, a Pakistan embassy release here said. Pakistanis visiting India are permitted by the State Bank of Pakistan to purchase 45 dollars each before leaving for India. The purpose of the requirement is to prevent unauthorised foreign exchange transactions.--UNI. [Text] [Madras THE HINDU in English 14 Jan 81 p 9]

MANIPUR CABINET EXPANDED--Imphal, Jan. 15.--Close on the heels of the Congress (U)'s withdrawal from the coalition, Manipur's 49-day-old Ministry, headed by Mr Rishang Keising (Congress-I), was expanded to 18 members, with the swearing-in of four Ministers today, reports PTI. The new Ministers, Mr Kumar Singh, Mr Vungajian, Mr Thangkhailal and Mr H. Kanguamba, were sworn in at a simple ceremony at Raj Bhavan here by the Governor, Mr L. P. Singh. The Chief Minister, who upgraded the State Minister for Education, Mr Debendra Singh, to Cabinet rank, told reporters that he would soon allocate the portfolios to the new Ministers. [Text] [Calcutta THE STATESMAN in English 16 Jan 81 p 1]

THREE NEW JUDGES--The Chief Justices of the Calcutta and the Kerala High Court and a Judge of the Allahabad High Court have been appointed to fill three of the five vacancies in the Supreme Court of India, reports PTI. The new Supreme Court judges appointed by the President on Monday are Mr Amarendra Nath, Chief Justice of the Calcutta High Court, Mr V. Balakrishna Eradi, Chief Justice of Kerala High Court and Mr Rambriksh Misra, Judge of the Allahabad High Court. With these appointments the Supreme Court bench will have 16 judges. The full complement of the court is 18. The latest vacancy arose with the retirement of Mr R.S. Sarkaria on 15 January. The previous vacancy is pending since the retirement of Mr V. R. Kishna Iyer on 15 November. [Text] [New Delhi PATRIOT in English 20 Jan 81 pp 1, 7]

CSO: 4220

SOLON COMMENTS ON FORTHCOMING ELECTION, FOREIGN AID

Foreign Aid Criticized

Jakarta SINAR HARAPAN in Indonesian 17 Nov 80 pp 1, 12

[Excerpts] The chairman of the Functional Development Fraction in Parliament, Sugiharto, on Friday [14 November] in Bandung stated that 1982 will be a decisive year, with the result that whoever can deal with the situation will have the right to preside over the government in Indonesia for an indefinite period. However, he said, once an individual falls, he will fall permanently.

Sugiharto was making an introductory speech as the deputy chairman of Golkar's functional division at the opening ceremony of the fourth national working session of the Union of Estate Enterprise Workers (Perkappen) at Gedung Merdeka in Bandung.

Sugiharto noted that the general election of 1982 will be very important. He did not explain this further in his speech, although he said, "We are aware that the government at present is better prepared than in the past."

To about 1000 Perkappen workers who filled the Gedung Merdeka, Sugiharto asked that they continue to maintain their attitude of militancy in facing up to the 1982 general election. "If in facing the PKI in the past members of Perkappen were not afraid to shed their blood, now Perkappen must prepare itself and be ready to make sacrifices to win the 1982 elections," Sugiharto said.

Perkappen, which was established in 1961, was originally a SOKSI mass organization. However, after SOKSI fused with Golkar, Perkappen loosened its ties with SOKSI and later affiliated with Golkar. On this occasion Sugiharto stated that Perkappen at present has 600,000 members and is considered a founding member of Golkar.

Sugiharto stated that the political situation in our country at present is very good, making it possible for the government to carry on the development program at "full speed"" He stated that the foreign exchange holdings of the country amounted to \$7 billion and that this was a matter of great prestige for the New Order. By developing such large reserves, he said, we not only can stand up as capable people but at the same time as people whose self-respect has been re-established. He added that we no longer need to ask for help from the developed countries.

"Indeed, now we are capable of saying, 'Go to hell with your aid.' We don't need that aid any more," said Sugiharto.

He is convinced that the developed countries later will coax Indonesia to use their money, which they consider to be aid.

Ulterior Motives

Jakarta SINAR HARAPAN in Indonesian 22 Nov 80 pp 1, 12

[Excerpts] The chairman of the Functional Development Fraction in Parliament has declared that it is time for Indonesia to free itself from dependence on aid provided by donor countries, particularly those which are members of IGGI.

The reason he gives is that, apart from the fact that we have sufficiently large foreign exchange reserves, the donor countries concerned give aid to Indonesia, not with the purpose of making Indonesia able to stand on its own, "but exclusively to make Indonesia continue merely to survive, while they can direct Indonesia in the service of their own interests."

PKP Chairman Sugiharto added that there is plenty of evidence which shows that at present the donor countries are always trying to block Indonesia from building large, basic projects like the hydrocracker and the methanol plants. If such large projects are successfully constructed in Indonesia, they fear that Indonesia will become very strong, both in terms of energy supplies as well as in the economic field.

In his statement to the press on Friday (21 November) Sugiharto indicated that our foreign exchange reserves were between \$7.2 and \$8.0 billion, which can break through "any blockade which might be undertaken by the capitalist system and world in the economic field." He stated that this does not mean that Indonesia should have the attitude of throwing its money around. He said that it is we whom the donor countries should seek and not we who should seek them out.

When he was reminded of the view of a former minister of trade, who stated that people who think that Indonesia no longer needs foreign assistance are shallow and ignorant in their view, Sugiharto answered, "Of course we would be wrong and ignorant if we rejected a helping hand or help from foreign countries on the basis of soft terms."

Sugiharto reviewed the consequences of foreign assistance in the economic field. He said that the donor countries influence us to continue to be their supporter and source of fuel. At the same time, in the political field they try to make us support all of their strategies in regard to their enemies.

Regarding the hydrocracker project, Sugiharto is convinced that if the donor countries which are members of IGGI really want to help Indonesia, certainly this project would not be dragged out in its implementation.

Free of foreign influence in the economic field, according to Sugiharto, does not mean that we would have no relations with other countries or even cooperate with them. However, in terms of all such cooperative relations, it is we who

must determine our own position and the terms we want. It is we who must choose, and that choice must be meaningful and be of maximum benefit for our own nation.

Regarding IGCI sessions which, at present, are attended by Indonesian representatives, Sugiharto thinks that such meetings are nothing more than "bargaining" sessions which always place Indonesia in a weak position.

He said that there may be those who think that what he says is not realistic and reflects a kind of idealism which cannot be applied in a developing country.

"I think this depends on our political desires, our determination, and the capacity of our economy," the deputy chairman of the executive council of Golkar said.

Election Not a War

Jakarta PELITA in Indonesian 19 Nov 80 pp 1, 7

[Excerpts] The deputy chairman of the Unity Fraction in Parliament, Tengku H M Saleh, declared that a candidate in a general election in a democratic country at a given time may win, but at another time he may lose. This has been experienced frequently by developed countries like the U. S., Britain, France, India, and so on. Therefore, it is not true that whoever wins in the general election in 1982 will win succeeding general elections.

Tengku Saleh made this statement in answering questions from parliamentary reporters on Tuesday [18 November] in reaction to an answer to a question asked of the chairman of the Functional Development Fraction in Parliament, Sugiharto, in Bandung, as reported by the press.

The chairman of the PKP was quoted as stating, "whoever wins in the general election of 1982 will govern indefinitely." On the same occasion Sugiharto advised 1000 members of Perkappen (Union of Estate Enterprise Workers) to continue to maintain their militancy in facing up to the general election of 1982.

Tengku Saleh also regretted the message to the 1000 leaders of Perkappen. He said that this message suggested that the general election is a war.

"The general election is not a war," he said, adding that the general election is an aspect of democracy which is guaranteed by the state, so that every citizen can express his choice in a direct, public, free, and secret manner.

The comment of Sugiharto made it look as if he were ordering the people to go to war and to carry out acts of force in the general election, which is very much in conflict with the philosophy of the Pancasila.

In connection with Sugiharto's statement which declared, "Go to hell with your aid," because the government of the New Order has foreign exchange reserves of \$7 billion, Tengku Saleh also very much regretted this comment. If there should be foreign aid with conditions which are a burden, it is right that we should reject it, but it is not necessary to use the term, "Go to hell," said the member of Parliament from Aceh.

He added that, however the matter may be, foreign aid in many ways is a bridge of brotherhood in the effort to develop close relations between the two countries concerned. He recalled that in the national budget for 1980/1981 we still obtain 30 percent of our development funds from foreign aid.

Need for Foreign Aid

Jakarta SINAR HARAPAN in Indonesian 25 Nov 80, pp 1, 12

[Excerpts] The Armed Forces Fraction and the Functional Development Fraction (FKP) in Parliament are both of the view that foreign aid to accelerate development in Indonesia is still needed. The political attitude of the two fractions was stated to the press at Parliament on Monday [24 November] in separate sessions by Sumrahadi (F-ABRI), and Dr H Amir Murtono, general chairman of the FKP who is also general chairman of the executive council of Golkar.

The spokesman of the ABRI Fraction, Sumrahadi, in his press conference on Monday, [24 November] stated that it is we (the New Order) who need aid development funds and not the donor countries, "which press their aid on us."

Indonesia's desire to obtain the aid is based on a mature development plan and with the specific objective of strengthening ourselves in the economic and political fields, the spokesman said.

The general chairman of Golkar, who is also general chairman of the FKP in Parliament, Dr H Amir Murtono, in his meeting with reporters in his office in Parliament, stated that he considered it necessary to clarify or straighten out the statement of the chairman of the FKP, Sugiharto, regarding foreign aid, made to the press a few days ago, "in order to prevent the development of misunderstandings on all sides, especially regarding the attitude of this fraction."

What Sugiharto said was the view of Sugiharto himself, in accordance with his own manner of expression. Therefore, according to Amir Murtono, Sugiharto is responsible for this view. He said, "Because it was Sugiharto who said it, it is he who is responsible."

The general chairman of the FKP said that he had not yet met with Sugiharto, so that he did not yet know, furthermore, what he really said and later was reported to have said in the press. However, based on available reports, he has the impression that Sugiharto spoke as if Indonesia did not wish to receive any more foreign aid.

For that reason and as general chairman of the FKP, he said, he felt it necessary to issue a clarification which he said was intended to correct the Sugiharto statement. In this way he hoped there would be no misunderstandings or erroneous impressions.

He stated that, based on the Golkar political declaration, there is absolutely no question for Golkar that foreign aid binds Indonesia or makes it dependent on other countries.

MEMBERS OF JAPANESE WAR-TIME ORGANIZATIONS SEEK RECOGNITION

Never Discharged

Jakarta KOMPAS in Indonesian 21 Nov 80 p 5

[Excerpts] Former members of the Heiho organization throughout Indonesia will demand their "status," which has been undetermined since Japan was defeated, from the Japanese government.

The chairman of the YKPBBHI (Foundation for the Welfare of the Union of Families of Former Heiho Members of Indonesia, 1942-1945), Dr S Prayitno, made this statement in a press conference in Jakarta on Friday [21 November].

He said that the action of the Japanese government in abandoning them with no further provision was very saddening. They were organized to defend the Japanese government against the allies during the Indonesian independence war. However, when Japan was defeated, the Heiho members were just abandoned. "We are not former members of the Heiho because we were never discharged by the Emperor of Japan," he said.

At present there are 22,132 members of the Heiho spread out throughout Indonesia and about 13,000 former members of the PETA/Giugun and the Romusha, who are registered members of the Foundation.

According to Dr Prayitno, during the Japanese occupation there were hundreds of thousands of young Indonesians who became members of the Heiho, were given ranks, uniforms, and duties, as was the case with other Japanese military formations.

"However, Japan was clever at the time not to give us a letter of appointment or a serial number," Prayitno said. However this may be, if a search were made for them, there certainly are files of Heiho members in the Japanese military archives.

They regret the attitude of the Japanese up to the present to treat the Heiho as if it never existed. This attitude is also taken by the Japanese ambassador in Indonesia, when they asked him to meet them on one occasion.

The attitude of not recognizing the Heiho is also reflected in the complete refusal to include the question of compensation for former members of the Heiho/

PETA/Giugun in the reparations agreement of the Japanese government with Indonesia, signed in 1958.

Prayitno stated that the Foundation has never promised it will seek compensation of so many millions for each member of the Heiho. However, it promises that next January it will raise their status with the Japanese government. "If Japan does not pay attention to this, we will present a complaint to the International Court of Justice, and if this cannot also be done, we will report to the UN," said the general chairman of the Foundation in a spirited manner.

Asking for a clarification of status also means that the natural consequences are included, that is, among other matters, the salaries that have not been paid or the portion of their salaries (one-third) which they should have received when they were on duty, but which later was deposited in a Japanese bank.

According to Prayitno, the Foundation has reported on this matter to the Ministry of Defense and Security, and the deputy commander of the armed forces, Sudomo, has sent the report on to the minister of Foreign Affairs for help in its resolution. The question of the status of Heiho and former Heiho members has been stated to be a responsibility of the Japanese government.

Servicemen Forbidden to Register

Jakarta HARIAN UMUM AB in Indonesian 22 Nov 80 pp 1, 3

[Excerpts] All members of the Indonesian Armed Forces who were formerly members of the Heiho or KNIL are prohibited from joining any organization with the purpose of obtaining compensation from the Japanese or Dutch governments. This prohibition was issued by the deputy commander of ABRI, Admiral Sudomo, an "AB" source reported yesterday [21 November].

The prohibition, the source said, was connected with the report that there is a private organization engaged in issuing forms for the registration of former members of the Heiho or KNIL or their heirs, in order to obtain sympathy from the Japanese and Dutch governments. Not infrequently, the registration involves the collection of registration fees from those involved.

Other information collected by "AB" states that in some areas there is still an effort under way for the registration of former Heiho and KNIL members at a minimum cost of Rp 1000. There are even those who purchase a set of forms for Rp 35,000. Most of those involved are former members of the Indonesian Armed Forces (PEPABRI) who are attracted to the effort because it is said that they will be given "millions" of rupiah.

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CSO: 4213

NAM NGUM POWER PLANT PRODUCTION DISCUSSED

Vientiane SIANG PASASON in Lao 23 Oct 80 p 2

[Excerpt] Electrical generation and transmission from the turning point on 14 October 1974 until now has proceeded normally and expanded steadily especially in 1978 when they installed the additional equipment during the second stage of construction. Up until June 1980 they had generated a total of 2,582,463,000 kilowatt hours, and of this 2,517,430,300 kilowatt hours were transmitted to Phontong. The power generation of just 6 months of 1980 was greater than the entire power generation of 1974 by 152,072,900 kilowatt hours.

During this entire period they worked conscientiously, checked technical aspects and made repairs. Checking technical aspects and daily, monthly and yearly maintenance was normally done by the workers themselves, since 1974 this included control of the electrical section, the machinery section, and the No 2, 3 and 4 turbines, they have controlled the turbines. Some of the repairs they have been responsible for include repairing the automatic controls for the turbines, installing high tension equipment up to 115,000 volts, repairing the turbines (the lower bearings of the turbines which had been eroded by the water), changing the wooden grates in front of the dam, checking the condition of the cables on the water gates and checking the penstocks which had been eroded by the water. Before this they had not had any experience changing the cables for lifting the water gates which are very heavy. It is dangerous work. The workers did their duty and changed the cable in 3 days. They were able to make a pulley system to lift the water gates. The pulleys could lift 60 tons. They fixed the brushes of the excitors [given in phonetics]. They used almost 100 replacement brushes. The excitors of the No 1 and 2 generators were not working properly and so the generators would not work. They changed a transformer in the automatic controls of generator No 4 which had broken down. This brought electrical generation back to normal. They made a water distiller to support the batteries of the work area. The distiller can produce 3.5 liters per hour. In 1980 they changed the cable for the No 2 water gate in only 2 days so that it would be ready in the second stage.

They did not just repair equipment and control electrical generation, they also expanded generation to meet the demand of the country. Since 1976-1978 only 27 workers did the work on the second stage of the Nam Ngum Dam which

involved installation of two 40,000 kilowatt generators; they used these precious lessons in maintenance thereafter. They expanded and repaired the floor of the station as well as the roof which had leaked. This saved funds and helped the state. They repaired 35 units of workers' housing and built a watch house. They expanded high and low voltage transmission which helped improve the lives of the people. Middle voltage of the 22,000 volt range was expanded to Thin Kee Village and a lumber mill, a distance of 5,000 meters. Low voltage was extended 7,000 meters and installed 559 transformers. They set up four 22,000/380,220 volt transformers and built three warehouses.

8149
CSO: 4206

NEW PORT FACILITY AT SAVANNAKHET DESCRIBED

Vientiane SIANG PASASON in Lao 24 Oct 80 pp 2, 3

[Text] The port of Keng Kabao is a large construction project undertaken by our government with the cooperation of the Mekong River Organization. It was begun in October 1979. The Department of Riverine Communications under the Ministry of Communications, Public Works and Transportation is the agency responsible.

The port's location is beside the Mekong River, which is like an artery of our country flowing from Gnot Ou to Liphé. The port is 27 kilometers north of Savannakhet.

On the first morning of construction after a delay of almost a month because of heavy rains, the construction site for the port of Keng Kabao was filled with the sounds of bulldozers, tractors and trucks and the sound of rock drills and blasting as the workers pressed on incessantly.

So far the work is 76 percent complete on the 10 projects for 1980. The complete plan includes 31 projects (1980-1982). The projects include: completion of 83 percent of the clearing and improving of 36,000 square meters of the site, 100 percent completion of the housing for 150 workers, 50 percent of the total of 71,400 cubic meters of earth and rock has been bulldozed away, 90 percent of the required total of 15,700 cubic meters of earth has been filled and packed, and 2,000 of the required 4,000 stone blocks have been cut which will protect the bank from erosion. As for other projects such as the 5,800 square meter storage area, the 1,880 square meter vehicle parking area, etc., these lie in the area being bulldozed.

They have met many difficulties especially in excavation which goes 4 meters deep and requires a lot of blasting. Nevertheless, with the revolutionary spirit of rulers of the land the workers have incessantly applied all their ingenuity and strength to achieve victory.

Comrade Sai Malavong is a member of the responsible committee for this construction unit. Comrade Bouaphan Lamsekong is in charge of the port and Comrade Bounmi Thepvongsa is in charge of surveying for the work. They took us to see the work saying: "The construction of the Port of Keng Kabao is very important. When it is completed it will be a storage area for goods both imported and domestic prior to distribution by water within the country. It will be able to handle 220 tons of cargo a day. This will be an important function in transforming and building socialism in our country. All the workers at the Port of Keng Kabao are very proud to be picked for this work. Now they are striving for greater results to honor that historic day, December 2, the fifth anniversary."

LUANG PRABANG ECONOMIC, AGRICULTURAL DEVELOPMENT ANALYZED

Population Statistics

Vientiane SIANG PASASON in Lao 27 Oct 80 p 2

[Excerpts] Luang Prabang Province consists of eight districts: Luang Prabang District, Ngoi District, Oudomsai District, Nan District, Siang Ngeun District, Phonsai District, Pakseng District and Pak Ou District. There are 74 cantons, 1,113 villages and 254,183 inhabitants. Of these 140,804 are women. There are three nationalities which consist of the following tribes: the Lao Loum include the Black Thai, the White Thai, the Red Thai, the Thai Phouan, the Gnuan and the Leu; the Lao Theung include the Khamu and the Then; the Lao Soung include the Lao Sounglai [Striped Mong], the Lao Soung Khao [White Mong] and the Yao. The locality of Nambak is affiliated with Oudomsai District.

Communications, Transport, Trade Balances

Vientiane SIANG PASASON in Lao 30 Oct 80 p 2

[Excerpt] Throughout Luang Prabang Province there are 605 kilometers of vehicle roads and of these 195 kilometers are tarred. The strategic roads include routes 13 and 1 which connect the provinces of Oudomsai, Vientiane, and Sayaboury. They can be used for importing and exporting goods in every season. All these roads, 31 routes, connect every district and are repaired every year.

2. Transportation

In order to serve the transportation system distributing goods to the people and to follow the resolution of the party, the administration of Luang Prabang Province set up state-owned transportation companies and enterprises using privately owned vehicles. There are companies transporting by land and water. The companies have 615 vehicles of which 55 are heavy trucks, 53 are passenger-carrying.... The water transportation companies have 60 boats and four lines: Luang Prabang-Vientiane, Luang Prabang-Pakbeng (Oudomsai), Luang Prabang-Pakbak-Ngoi-Khoun (Phong Saly), Luang Prabang-Pak Seng. The transportation both by land and water proceeded normally throughout the year.

3. Expanding Commerce

In order to get the state-produced goods to the people and collect the items gathered in the forest by the multi-ethnic people, the administration of Luang Prabang Province has been expanding the network of stores widely during the last 5 years. They set up 19 new state stores in all the districts. Luang Prabang District was prominent among these with 8 stores while Pakseng District had 2 stores. They sought investment funds from the people and provided leadership in setting up 31 cooperative stores. In addition the province intends to set up three teams of private merchants with five to eight families per unit. These private teams would operate according to the state's rules of commerce and would carry state-produced goods for sale and barter in the countryside far from the state stores and cooperative stores.

The value of the exports and imports of Luang Prabang Province is never less than 1.8 million kip per year. The imports generally are clothing, cultivation equipment and educational material.... Exports or items sold by the people to the government generally include rice which is 60 percent, and bones sticklac, benzoin, medicinal tea and resin, which come to 40 percent.

4. Industry

Luang Prabang Province has the following factories and industry related activities: a power station at a waterfall with a capacity of 1,200 kilowatts which is used for lights in the city and for small power projects outside the city. There are eight electric motors used in every district capital. There is one medium-sized rice mill which can process 16 tons of rice a day. There are two ice factories one of which is state-owned and one of which is privately owned. The state-owned factory can produce 2 tons in 24 hours. These factories have been renovated recently. They were idle just after liberation as they belonged to the capitalists.

Agricultural Statistics, Private Trade

Vientiane SIANG PASASON in Lao 28 Oct 80 pp 2, 3

[Excerpts] 1. Cultivation

There are mountains and jungle throughout Luang Prabang Province. There are hills and pinnacles side by side especially along the large waterways such as: the Ou, the Mekong, Seuang and the Khan. There is only one plain and that is in Nan District. It covers more than 1,000 hectares. Because of the nature of the environment 28,716 families practice dry-field cultivation. Only 6,306 families practice wet-ricefield cultivation. It is easy to see that cultivation in Luang Prabang Province is difficult.

Nevertheless, with the resolute spirit of their ancestors, the multi-ethnic people of Luang Prabang Province struggled steadfastly with the difficulties such as clearing land next to streams and mountains. The dryfield farmers decided to follow the orders of central authority: "Do not destroy the forests" with slash and burn techniques and there will be enough to live on.

On the basis of the land which was cleared with such difficulty next to the streams and mountains, they were able in 5 years to develop the economy, improve the living standard and switch from dryfield to wet-rice field cultivation. The multi-ethnic people of Luang Prabang Province were able to clear 2,529 hectares of new land. This figure is a tribute to bold endeavor and a historic change in the life of the people of Luang Prabang Province; it increases the area of wet-rice field cultivation to more than 7,000 hectares.

2. Irrigation

There are 2,823 hectares of irrigated land in Luang Prabang Province or 35 percent of the wet-rice land. This is a measure of the attention paid this field by the local authorities who know the importance of the saying, "irrigation is the lifeblood of agriculture." They have provided leadership for the people from the towns to the countrywide to set to work digging irrigation canals one after the other, expanding this work.

In the past 5 years, not counting the projects undertaken by the people themselves, there have been seven government projects completed: six small projects and one medium-sized project.

3. Animal Husbandry

The number of animals raised by the people of Luang Prabang Province in 1980 is as follows:

--buffalo: 31,494, an increase of 18 percent over 1976,
--cattle: 6,958, an increase of 27 percent over 1976,
--goats: 4,659, an increase of 30 percent over 1976,
--hogs: 114,370, an increase of 50 percent over 1976 and
--ducks, chickens: 372,504, an increase of 20 percent over 1976.

The leadership for this capacity in animal husbandry came from the provincial administration itself which organized those who volunteered to join commercial cooperatives. These bought the animals of the people in the countryside and transported them to market. In addition private parties were allowed in the mountainous areas to buy the animals of the people of various localities and sell them; the prices were established by officials so that they were consistent with the real price levels in the locality. Most of the meat was pork in the markets of the city of Luang Prabang and in various other markets throughout the province. In 1980 alone there are 12,472 tons, an average of 34 tons per day for the people of Luang Prabang Province. It is because there is a distribution system which does not delay the meat that the people have put the energy into raising animals and that role of animal husbandry has expanded.

4. Forestry

There are many forests in Luang Prabang Province but they are unusual in that they are on high mountains and far from large rivers so it is difficult to get the lumber out. Nevertheless, Luang Prabang Province has played a role in forestry mainly by planting to maintain the forests and in utilizing lumber.

After liberation the provincial administration took care to improve the efficiency of forestry. This was carried out by cadres specializing in forestry who were to be instrumental and have great responsibilities. In the last 5 years the forestry cadres were very effective: They surveyed 82,000 hectares of forest, set up two forestry preserves amounting to 2,668 hectares and built a nursery of 83 hectares with 83,610 seedlings.

Cutting trees and getting the logs out as we mentioned is difficult because the forests are far from roads and large rivers. Nevertheless, they have had great success: each year they have sent 213,873 cubic meters of wood either to sawmills or for export, which provides a good income for the state.

However, the forests still are being damaged, for example by slash and burn agriculture in some areas: up to 45,000 hectares of forest was destroyed in 1980 to make way for farming in some localities. This was the reason for the information campaign among the multi-ethnic people urging them to decrease the amount of land cleared for cultivation in the large forests; this was also the reason for the campaign to plant trees on the national arbor day, June 1, every year. At the nurseries they are preparing hundreds of thousands of teak seedlings and other types for 1981.

In summary it can be said that although Luang Prabang Province has many compelling problems in agricultural construction, it appears that this work is progressing well which shows how good the new regime is under the leadership of the Lao People's Revolutionary Party.

8149

CSO: 4206

NEPAL

BRIEFS

ADB LOAN, GRANT--On 23 January Nepal concluded three separate agreements with the Asian Development Bank [ADB] under which the latter will provide Nepal with a loan assistance of about 462 million rupees and grant assistance to the tune of 3.6 million rupees. Documents to this effect were signed by minister of state for finance and general administration Dr Yadav Prashad Pant and ADB President Taroichi Yoshida on 23 January in Katmandu. The assistance will be utilized for the implementation of agricultural credit project, agriculture development project and hill irrigation project in Nepal. The loan assistance will have to be repaid in 40 years, including a grace period of 10 years, and carries a service charge of 1 percent per annum. [BK051155 Katmandu THE RISING NEPAL in English 23 Jan 81 pp 1, 6]

CSO: 4220

ENERGY RESEARCH INSTITUTE SET UP

Karachi BUSINESS RECORDER in English 1 Feb 81 p 1

[Text] Lahore, Jan. 31: The Federal Ministry for Science and Technology has created a high-level institute of power to conduct supervise and coordinate research in the field of electrical energy. [as published]

According to an information available here the Managing Director of the power section of the water and power development Authority (WAPDA), Mohammad Akram Khan, has been appointed as honorary director of the institute, while a senior university professor would work with him as joint director on full-time basis.

The Chairman of the four teaching departments in the electrical engineering of the respective technical universities in the Punjab, NWFP and Sind will act as honorary regional directors of the newly established institute.

They would organise research work within their departments to be financed and supervised by the institute utilising the facilities available with them.

A technical advisory council of the institute has also been constituted, which will be headed by Dr. Kazi Ainuddin Ahmed, a former head of the electrical engineering department of the university of engineering and technology here.

The federal government has also provided an initial grant of Rs. Eight lakh for the setting-up of the institute, out of which about Rs. five lakh would be spent on research work to be conducted by the institute itself. Besides this the institute would also be acquiring research projects to be financed by WAPDA, Karachi Electrical Supply Corporation and the industry.

The national institute of power, which has been basically created to promote self-reliance in this important field, would provide a forum to tackle problems locally and to act as a bridge between the utilities and the teaching institutions.

It would fully utilise the services of the qualified faculty staff, graduate students and the laboratory facilities available with them to work on research problems coming from WAPDA, KESC and the industry.

The need to establish the institute had arisen because both WAPDA and the Karachi Electricity Supply Corporation were mainly involved in turn-key projects and had

little or no link with the technical universities in the country to developed internal capability in the complex field of electrical engineering.

The governing body of the institute, which is likely to be located in WAPDA House here, will function under the chairmanship of Federal Secretary for the Ministry of Science and Technology Manzoor Ahmed Sheikh.--APP.

CSO: 4220

PAKISTAN'S ENERGY RESOURCES DISCUSSED

London 8 DAYS in English 24 Jan 81 pp 24-25

(Text)

BALUCHI TRIBESMEN in western Pakistan have known about and exploited Pakistani oil for centuries. Light condensate oil good enough to light their lamps seeps out of the ground over a wide area.

Yet these resources have only recently begun to be tapped. An alarming rise in Pakistan's oil import bill has added new urgency to the plans to locate and exploit them.

Pakistan's import bill for crude oil and refined products has tripled during the past three years and is now expected to reach \$1.5bn. That is 30 per cent of all imports, and accounts for 50 per cent of export earnings.

It is in large part Pakistan's 'chronic propensity to import' — not just oil — that has taken it to the brink of bankruptcy over the past three years. For this reason, the International Monetary Fund, which has just come to the rescue with a mammoth \$1.73bn loan to support Pakistan's yawning trade deficit, is calling for a swift programme of import substitution. At the top of the list is a call for the government to exploit indigenous energy resources.

Pakistan's best hopes lie not with oil, but with natural gas. Since the first oil well was sunk in 1874, oilmen have been constantly frustrated by Pakistan's complex underground geological structures. The first oil was struck in 1915 when the newly formed Attock Oil company drilled to a depth of 80 metres in the Potohar basin just southwest of Rawalpindi. Until 1973, Attock was content to keep its 10,000 barrel-a-day refinery ticking over. The difficulty and expense of drilling new wells told against grander aspirations.

However, gas finds, first at Sui in 1952 and later at Pirkoh and Dhodak (all in Baluchistan) have offered greater promise. Sui has proven reserves that are expected to

last until the end of the century. Also, at about 88 per cent methane, the gas quality is excellent.

Pipelines north and south from Sui already supply homes and industries from Karachi to Peshawar. A new pipeline will take gas west to Quetta by 1983. At the same time, using loans from international aid agencies such as the Asian Development Bank and the World Bank, existing pipeline routes are being augmented.

Exploration at Dhodak is still not complete, but early findings suggest reserves of up to 127m cu metres. At present Sui meets more than 90 per cent of Pakistan's gas consumption. Effective exploitation of the Sui field has greatly increased the importance of natural gas in meeting indigenous commercial energy needs. By June last year, gas accounted for almost 36 per cent of energy consumed, with oil accounting for 37 per cent. By 1990, the government expects to meet 56 per cent of energy needs with natural gas, reducing reliance on oil to 28 per cent.

Much of the gas is used in general industry — about 30 per cent — with 28 per cent used in power generation. A further 30 per cent is used in the manufacture of fertilisers and cement. Just 7 per cent is used in the home for cooking and lighting (only 2 per cent of the homes in Pakistan are piped for gas) but this is likely to change. This is because the main fuel used in the home is kerosene — almost all of which Pakistan has to import. The policy of trimming oil imports inevitably means a shift to fuels like liquid petroleum gas or compressed gas in bottles.

Pakistan's oil reserves are far from insignificant: about 500m barrels are thought to be recoverable. Most is likely to come from the Meyal field in the Potohar

basin, which has now begun production, or from Dhodak.

Exploration for oil has been slow for a number of reasons. While complex geological structures made drilling notoriously difficult, most of Pakistan's fields are in physically challenging desert areas. The fields are not large enough to offer attractive export prospects to international oil companies. Recovering the oil was until recently thought to be too prohibitively expensive to justify even seismological surveys.

Opec's pricing strategy over the past six years has changed all that, and multinational companies have begun to show active interest in joining the government's oil search. Burmah Oil, which was responsible for the early exploitation of the Sui gas field, has been in Pakistan since before the separation from India in 1947. Most of the others have come after initiatives by the government-created Oil and Gas Development Corporation (OGDC).

Since the OGDC's formation in 1963, Union Oil, Texas, Murphy, Marathon and Husky Oil have taken out concessions. Gulf Oil, Amoco, Occidental and most recently BP, have entered into joint ventures with the OGDC, in some cases with the Wu¹⁴ Bank providing financial and moral support to the foreign investors. As a result, exploration activity has expanded from a drilling average of one well a year up to 1978 to a current average of more than eight a year. About 30 wells are currently being drilled, nine of them exploratory.

At present Pakistan produces between 10,000-12,000 b/d, meeting about 9 per cent of current needs. The aim is to increase output to 13,000 b/d by January 1981 and 20,000 b/d by June 1982 — about 17 per cent of domestic needs.

Pakistan currently imports only 22 per cent of its refined oil products — the rest are refined domestically. However it is hoped that by 1983, the country can be almost self-sufficient in refined products. That will be achieved not simply by increasing refining capacity, which currently stands at 5.2m tonnes a year, but also by curbing demand for 'deficit products' — mainly diesel, kerosene and light distillates. Demand for kerosene fell by 16 per cent last year — no doubt in large part a response to a doubling in the price.

Plans to curb petrol and diesel consumption are based on two experiments now under way to convert cars to liquid petroleum gas. It is hoped that by 1983 a large proportion of commercial lorry traffic

(the transport sector consumes 27 per cent of all commercial energy) will be fuelled by gas. At the same time, Pakistan is expected soon to be self-sufficient in fertiliser and cement (imports currently cost around \$300m). Indigenously produced natural gas will be used as the feedstock and fuel for both industries.

Fortunately, Pakistan needs little oil for electricity generation. The massive Tarbela dam currently produces 700MW and by 1985 should be producing double that.

Pakistan has small coal reserves — about 477m tonnes most of it around Lakhra in the Sind. Production amounts to around 1.4m tonnes a year. One small thermal station is powered by coal, and coal meets about 5.6 per cent of all energy needs.

The country also has one nuclear power station, operating outside Karachi. It provides 0.7 per cent of the country's electricity. Controversy about plans for a nuclear processing plant has greatly exaggerated the importance of nuclear power in the country. While there are unspecific long-term plans to develop nuclear power, in the short term, the contribution of nuclear energy will remain negligible.

Potential savings on the oil import bill could be high if the targets are met. One senior official in the ministry of petroleum and natural resources predicts a cut of between 25 and 30 per cent in oil imports by 1985. At current prices, this would save about \$350m a year. In addition, self-sufficiency in fertilisers and cement will trim \$270m from the import bill.

Pakistan is an exporter of certain 'surplus' oil products — primarily furnace oil and naphtha. As it relies more heavily on gas in industry and in the manufacture of fertiliser and cement, so it will be able to boost these exports, again reducing its trade gap.

Plans to shift Pakistan's energy consumers away from oil and wean them onto gas are being introduced at a time when demand for energy is growing rapidly — estimates vary from 5 to 8 per cent a year. Such growth is both natural and desirable, since the government is trying to broaden the country's industrial base and enhance productivity in agriculture. If Pakistan is to struggle out of the poverty trap that has gripped it for so many years, then rapid industrial expansion is essential, even if the price, in terms of spending on energy, is a heavy one.

The dilemma is common to many developing countries, and Pakistan must consider itself comparatively lucky: the

brunt of the appalling cost of oil imports can be softened by careful exploitation of its own energy resources. Many neighbours — Sri Lanka, for example — have no resources of their own to fall back on.

The recent IMF loan will be important in helping Pakistan to tackle its energy

problems. It will not only provide significant relief in its own right, but represents a green light for other investors abroad to consider expanding their operations inside the country.

CSO: 4220

RICE PRODUCTION BELOW 1976-77 MARK

Islamabad THE MUSLIM in English 17 Jan 81 p 6

[Text]

LAHORE, Jan. 16: Both the area for cultivation as well as the expected production of wheat, cotton, sugarcane and maize in the Punjab are to increase in 1980-81, while rice production would still be less than in 1976-77, according to figures officially available here today.

The Provincial Government expects 8.31 million metric tons of wheat production during 1980-81—0.397 million metric tons more than the preceding year and 1.594 million metric tons more than 1976-77.

Sown on 4980 thousand hectares, the yield is expected to be 1670 kg. per hectare, which is 72 kg more than the last year and 209 kg more than in 1976-77.

Rice production during the year 1980-81 is estimated to be 1.35 million metric tons, which is 0.168 million metric tons less than the preceding year and .018 million metric tons more than in 1976-77.

A total of 175 thousand hectares of land less than the preceding year have been estimated to be cultivated with rice during the current year, which is 135 thousand hectares more than in 1976-77 when it was sown on 920 thousand hectares of land.

Sugarcane production during

1980-81 is estimated to be 24,161 thousand metric tons, which is 4,747 thousand tons more than the last year and 2,373 thousand metric tons more than in 1976-77.

Area of production, which was 501 thousand hectares in 1979-80, has been estimated to be 602 thousand hectares during 1980-81.

Yield per hectare is estimated to be 40,135 kg, which is 1385 kg more than the previous year and 223 kg per hectare more than in 1976-77.

An upward trend in production by 68 thousand bales has been estimated for cotton during 1980-81 which was 2,832 thousand bales during 1979-80 and 1,672 thousand bales in 1976-77.

Maize produce for 1980-81 has been assumed to be 421 thousand metric tons, the same during the last year and 59 thousand metric tons more than in 1976-77.

According to All Pakistan First estimate of Rice crop for the year 1980-81 released by the Ministry of Food, Agriculture and Co-operatives here today the area under rice crops is 1,952,100 hectares which is 4.0 per cent less than the previous year's final estimate of 2,034,500 hectares.

The provincial break-up of the

estimate is as under:

In the Punjab, the area under rice crop during 1980-81 is estimated at 1,096,700 hectares as compared to 1,179,600 hectares finally estimated last year. It shows a fall of 7.0 per cent despite an increase of 9.1 per cent in area under Basmati. This fall is attributed to dry weather conditions at the sowing time of IRRI varieties.

In Sind, the area under rice crop is estimated at 743,800 hectares. It shows a decrease of 0.2 per cent over previous year's final estimate of 745,600 hectares. This decline in the area is due to ban on Rice cultivation in some parts of upper Sind.

The preliminary estimate for 1980-81 places the area under rice crop in NWFP Province, at 68,300 hectares as against 67,200 hectares finally estimated last year. It shows an increase of 1.06 per cent which is due to high market prices for rice, favourable weather conditions at the time of sowing and launching of the "Rice Action Programme" by the Agriculture Department.

In Baluchistan, the area under the crop is estimated at 43,300 hectares. It shows an increase of 2.8 per cent over previous year's final estimate of 42,100 hectares.—PPI

A STRANGE DEAL IS QUESTIONED

Islamabad THE MUSLIM in English 1 Feb 81 p 1

[Article by Ashraf Hashmi]

[Text]

ISLAMABAD, Jan. 31: The Federal Finance Ministry is reported to have received a 400 million dollars' proposal for the exploitation of Saindak Copper mines, which envisages exporting all the blister copper leaving behind sulphuric acid and magnetite concentrate for local consumption.

Informed sources believe if the proposal submitted by COFRAL — a consortium of French, Canadian and Yugoslavian companies — is accepted, the country will be deprived of all copper and other valuable metals, to be mined from Saindak.

Under the proposed deal, COFRAL would continue to export copper in blister form, to be refined abroad, till the time when its investment of 250 million dollars is fully realised.

The concentration plant, proposed to be built near Saindak, would take four years to complete and will start production from the fifth year. When in full production, the annual output will be: Blister copper: 15,000 tonnes; Steel billets: 77,000 tonnes and Sulphuric acid: 148,000 tonnes.

After mining and milling of the ore, the COFRAL would take the blister copper, containing the valu-

able metals like gold and silver to be refined abroad. The annual production of blister copper is estimated to be 15,000 tonnes, but under the proposed agreement Pakistan would have no claim on it till the sponsors recover their invested money.

Meanwhile, the sulphuric acid, which would be available from the site 148,000 tonnes annually, would pose another problem for the country as its transportation up to the proposed mill site near Karachi would not be an easy job.

It may be noted here that besides copper, the ore available at Saindak contains gold, silver, pyrite, molybdenum and magnetite in recoverable amounts. The quantity of main metals contained in all the proved deposits are as under: Copper: 1.69 million tonnes; Gold: 2.24 million ounces and Silver: 2.4 million ounces.

Inquiries made in this connection revealed that the only proposal, presently being processed in the Ministry of Finance, was duly forwarded by the Ministry of Natural Resources and had been submitted by COFRAL.

The offer if approved by the Finance Ministry, would go to the Economic Co-ordination Committee and the Planning Division for final approval.

CSO: 4220

PAKISTAN

BRIEFS

RICE DEAL--Karachi, Jan. 31: The Rice Export Corporation of Pakistan has concluded deals with Saudi Arabia, Kuwait and Mauritius for the export of 151,000 tons of rice valued at about 100 million dollars. This was stated by Riaz A. Naik, Chairman of the Corporation here today. [Text] [Islamabad THE MUSLIM in English 1 Feb 81 p 1]

BIOGAS PLANTS FOR RURAL AREAS--Lahore, Jan. 30: The Appropriate Technology Development Organisation (ATDO), a subsidiary of the Ministry of Science and Technology, will install over 100 bio-gas plants in the rural areas of the Punjab during the current fiscal year, it is learnt. The target has been fixed in accordance with the allocations made to the ATDO for the current annual development programme and so far 35 plants have been installed under the technical assistance and supervision of the ATDO. The ATDO has formed various groups of its field workers who go to the rural areas and motivate people to have the small bio-gas plant installed at their places. The response of the people to this campaign, the ATDO officials said, was positive.--PPI. [Text] [Karachi BUSINESS RECORDER in English 31 Jan 81 p 2]

NORWEGIAN AID ACCORD--An agreement has been signed in Islamabad today under which Norway is to provide \$15-million worth of aid to Pakistan this year. A major portion of the aid is to be disbursed on imports of fertilizers while the remaining amount will be spent on importing telecommunication equipment and machines for the manufacture of sacks and oil surveys in coastal areas. The agreement between the two countries followed the annual bilateral economic talks between the four-member Norwegian mission and officials of the Economic Affairs Division which lasted for 3 days. [Text] [BK041055 Karachi Domestic Service in Urdu 1500 GMT 3 Feb 81]

CSO: 4203

GOVERNMENT PLANS FIGHT AGAINST INFLATION

Bombay THE TIMES OF INDIA in English 17 Jan 81 p 8

[Text] Colombo, January 15 (UNI-DPA)

Sri Lanka is planning drastic steps to reduce its galloping inflation now amounting to 38 per cent about one year before the nation goes to the polls.

The President, Mr J. R. Jayewardene, has warned that trying times are ahead and has suggested vast changes, some of which may be unpopular politically.

The new liberalised outlook introduced into Lanka's economy during the past three years has not been able to contain inflationary trends, shortfall in domestic production, high living costs and rising unemployment.

Among drastic measures contemplated by the government are a further cutback on subsidies on food, transport, fuels, education and health, short-term suspension of certain development projects and other steps to improve the worsening balance of trade position.

The present government cutback subsidies to utilise the savings on national development and this change from consumption to production did not generate the expected reaction of protest.

Official sources have confirmed demands from the International Monetary Fund (IMF) to prune welfare if Lanka was to obtain finances from foreign sources.

The IMF formula, however, came under heavy attack from the opposition as well as from some government quarters.

Despite severe cutbacks, subsidies were not altogether removed.

Crucial Period

About 60 per cent of the population, who are still on the poverty line, are provided with free weekly rice rations as well as subsidised kerosene.

Authoritative sources expect the coming 18 months to be very crucial because the government is planning further cuts on subsidies to fight inflation. These sources are also apprehensive about the backlash among people already facing severe economic strains.

A recent wage hike hardly covered the simultaneous increase in transport charges.

A few months ago an opposition-organised general strike protesting against the high cost of living, among other things, resulted in 4,000 public servants losing their jobs.

Independent economists expect a serious slashing of long-term development programmes.

As a long-term plan the government has decided to revamp its plantations sector (tea, rubber, coconut) which has gone into serious disarray. Since Lanka produces top quality tea and highgrade rubber, there is every reason for these crops to provide considerable revenue. According to official estimates, Lanka's loss could be made up if the plantations were managed better.

CSO: 4220

PLAN FOR DEVELOPMENT OF TAMIL AREAS REPORTED

Madras THE HINDU in English 14 Jan 81 p 9

[Text]

Tamil areas in Sri Lanka will soon get a boost in their development, according to Mr. S. Rajadurai, Minister for Regional Development, Tamil Affairs, Hindu Religion and Culture in Sri Lanka.

The Government, he said, had drawn up massive schemes for integrated rural development. International agencies, like the World Bank, would be approached for financial assistance.

Emphasis would be on the provision of protected drinking water, better roads and lights.

The scheme for Batticaloa envisaged port development at an outlay of Rs. 32 crores and for Mannar, the improvement works would cost Rs. 38 crores.

Besides these, the industrial development would also get a fillip by way of large-scale expansion programmes. The cement factory at Pultalam would increase its production.

Also, the chemical, sugar, paper and other industrial units which had remained static for a number of years, would be expanded.

Mr. Rajadurai, who is on a brief visit to Madras after participating in

the World Tamil Conference at Madurai, told THE HINDU that thanks to the broader outlook of the present UNP Government, the Tamil areas were getting, for the first time, larger funds for development.

Decentralised Budget

Under a decentralised budget, each of the 168 constituencies were now allotted Rs. 2.5 millions which the representative of the area in Parliament, irrespective of his party affiliation, could spend on schemes drawn up by him.

The interests of Tamil-speaking northern and southern provinces are being well taken care of by the Government through constitutional guarantees, he said.

Tamil has been made the court language in these areas and the Tamil-speaking people could correspond with the Government in their mother tongue, though the official language was Sinhala. The repatriates leaving Sri Lanka to India were allowed to take back all their savings.

The Sri Lanka President, Mr. Jayewardene, was quite keen on developing

the ties between his country and India and promoting the understanding between the Tamils in the two neighbouring countries.

Mr. Rajadurai said his Ministry had taken the initiative in furthering Hinduism. Animal sacrifice has been banned in Hindu temples all over the island.

The training centre set up at Tirukettswaram will meet the shortage of Sivacharyas (temple priests). A rest house for Hindu pilgrims would soon be constructed at Kathirgammam.

A research centre and a huge hall would be put up at Jaffna to perpetuate the memory of Saint Arumuga Navalar, one of Sri Lanka's greatest Saivite scholars. Also, in memory of Vipulananda, a college of music and dance would be established at Batticaloa.

World Hindu Conference

Sri Lanka, he said, was getting ready to conduct the World Hindu Conference in a big way later this year.

During his stay in Tamil Nadu in the next few days, Mr. Rajadurai would call on the heads of various mutts and seek their support for the religious meet.

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